FOREIGN AFFAIRS

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Foreign Affairs is published five times annually
by the Council on Foreign Relations, Inc.
Vol. 68, No. 5 © 1989

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Foreign Affairs is published five times annually by the Council on Foreign Relations, Inc. Editorial Offices: 58 East 68th Street, New York, NY 10021.

Manuscript submissions: The Editors will consider all manuscripts received, but assume no responsibility regarding them. Materials will be returned only when accompanied by appropriate postage.

Subscriptions: Price for U.S. subscriptions, $32.00 per year; foreign, $39.00. Rates for air speed delivery are available upon request. To subscribe, write *Foreign Affairs*, P.O. Box 53678, Boulder, CO 80322-3678. To resolve subscription problems, call (800) 365-1554. Replacement copies are available to subscribers at no charge until the next issue is published. Thereafter, back issues are $9.00 each.

Advertising: For rates and schedules, contact the Advertising Office, (212) 734-0400. *Foreign Affairs* is represented by The Leadership Network, Robert F. Sennott, Jr., President, (212) 684-5500. *Foreign Affairs* is a member of the Audit Bureau of Circulations.

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Zbigniew Brzezinski

POST-COMMUNIST NATIONALISM

The time has come for the West to confront as a policy issue a problem that for years most Western scholars have tended to ignore and that all Western policymakers still consider to be taboo: the rising tide of nationalism in Eastern Europe and especially in the Soviet Union itself. This long-dormant issue is now becoming, in a dynamic and conflictual fashion, the central reality of the once seemingly homogeneous Soviet world. Indeed, whereas Marx once described the tsarist Russian empire as the prison of nations, and Stalin turned it into the graveyard of nations, under Gorbachev the Soviet empire is rapidly becoming the volcano of nations.

Until recently, the West preferred to downplay the reality of East European national aspirations and to downgrade the implications of non-Russian national awareness within the Soviet Union. Moreover, most Westerners perceived the Soviet Union as identical with Russia and assumed almost automatically that any Soviet citizen was a Russian. This has now changed. National conflicts have ruptured the illusion of communist brotherhood and the mirage of some sort of supra-ethnic Soviet nationhood. Henceforth, the ongoing crisis of communism within the once homogeneous Soviet bloc is likely to define itself through increased national assertiveness and even rising national turmoil. In fact, there is a high probability that the progressing self-emancipation of the East European nations and the growing sense of national distinctiveness among the non-Russian nations of the Soviet "Union" will soon make the existing Soviet bloc the arena for the globe's most acute national conflicts.

None of this should be construed as a lament for communism. Its fading is a liberation for those who have had to live under its stultifying and dehumanizing regime. Moreover, though it

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proclaimed itself to be a doctrine of internationalism, communism in fact intensified popular nationalist passions. It produced a political culture imbued with intolerance, self-righteoushness, rejection of social compromise and a massive inclination toward self-glorifying oversimplification. On the level of belief, dogmatic communism thus fused with and even reinforced intolerant nationalism; on the level of practice, the destruction of such relatively internationalist social classes as the aristocracy or the business elite further reinforced the populist inclination toward nationalistic chauvinism. Nationalism was thereby nurtured, rather than diluted, in the communist experience.

As the communist veneer now fades and nationalism surfaces more assertively, the time is thus becoming ripe for the West to define more deliberately its interests. What sort of Eastern Europe do we wish to see emerge from Soviet domination? Is the secession of some or all non-Russian nations from the Soviet Union something that the West ought to encourage? Should we discriminate in that regard between the various Soviet nations? How should we react if the Kremlin again adopts a more repressive attitude toward non-Russians? What should be our attitude toward Great Russian nationalism, especially as it too becomes more openly assertive? What are the international strategic and economic implications of these issues? How does all this relate to our commitment to the cause of human rights?

II

This large agenda of related issues must be examined in the context of a historically grounded understanding of the phenomenon of nationalism in the Soviet world. While that phenomenon has rather different meanings in the East European and Soviet contexts, the two are also politically related. As a result, they cannot be treated as entirely separate and distinct issues. What happens—indeed, what is already happening—in Eastern Europe is bound to affect the internal affairs of the Soviet Union. Evidence abounds to demonstrate that the events in Poland have directly affected the Baltic states, and mounting evidence is coming to light that the Ukraine and Byelorussia are becoming susceptible to the ripple effects of events immediately to their west. It may thus be only a slight exaggeration to aver that the potential "Balkanization" of Eastern Europe could be paralleled by the eventual "Lebanization" of the Soviet Union.

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Conversely, massive national repression in the Soviet Union would affect adversely the process of democratization in Eastern Europe, but also arouse stronger nationalist passions within the region. Any such repression would have to be based on Great Russian nationalism—and its assertion would be likely not only to have a chilling effect on democratic hopes but also an intensifying impact on East European nationalisms, only thinly veiled by communist internationalist phraseology.

Eastern Europe has only two ethnically homogeneous states—and none without potentially severe territorial-national conflicts with their immediate neighbors. Poland is nationally and religiously the most cohesive, with 95 percent of its almost 40 million people both ethnically Polish and Roman Catholic. Hungary, 90 percent of whose 11 million people are Magyar, is the second most ethnically cohesive country, though more fragmented in its religious affinities. Every other East European state either has significant national minorities or is even ethnically diverse.

The two most diverse societies are those of Yugoslavia and Czechoslovakia. Yugoslavia is an amalgam of six nationally distinct peoples, further divided by differences in religion. The politically dominant Serbs, with nine million of the country's 24 million people, represent the most significant plurality, though their dominance has made them the object of considerable animus on the part of the economically more advanced but outnumbered Croats and Slovenes and the intensely nationalistic Albanians. Czechoslovakia is a federation between the more numerous and developed Czechs, who represent ten million of the country's 16 million people, and the somewhat resentful Slovaks, who for a brief time during World War II had their own state. Both Romania and Bulgaria also have substantial national minorities.

Moreover, all these states have borders that are potentially subject to revisionist aspirations on the part of their neighbors. Poland has a lingering, though not acute, territorial grievance against Czechoslovakia, and Poland itself could be the object of German territorial revanchism. Already in the 1980s, a sharp dispute developed over the maritime border between the communist governments of Poland and the German Democratic Republic, including access to the Polish port of Szczecin. In addition, possible countervailing territorial claims exist between Poland and its currently Soviet neighbors to the east: Lithuania, Byelorussia and the Ukraine. Czechoslovakia and

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Hungary also harbor some resentments over the treatment of their respective national minorities living within the other's frontiers, and these could mushroom into border disputes.

Much more serious and potentially even explosive is the openly antagonistic Hungarian-Romanian dispute over Transylvania, currently a part of Romania but once part of the Austro-Hungarian Empire and inhabited by several million Hungarians who have been oppressed by the dominant Romanians. Romania, in turn, has historical claims against the Soviet Ukraine over Bessarabia and against Soviet Moldavia, and a potential one against Bulgaria over the Black Sea region of Dobruja. To complete the circle, Bulgaria nurtures national ambitions regarding Yugoslavia's Macedonia. Yugoslavia in the meantime has a rapidly growing and increasingly restless Albanian majority in the region of Kosovo, which itself could soon become the object of Albanian irredentism.

This mosaic of unsatisfied territorial desires and of national antagonisms—in itself not necessarily more complex than that of many other parts of the world, including Western Europe—is aggravated by the historical immaturity of Eastern Europe's nationalisms. While most of the region's nations are historical entities, with some legitimately boasting national histories comparable to those of any of the West European nations, Eastern Europe's nationalisms still tend to be more volatile, more emotional and more intense than those in the West. Moreover, the separate East European national states lack the tempering experience of genuine regional cooperation that in recent decades has emerged in Western Europe, starting with the Marshall Plan, continuing with the European Coal and Steel Community and eventually maturing into the supranational European Community, with its region-wide elections to the European Parliament.

Instead, while under Soviet domination and even while their regimes proclaimed fidelity to an allegedly internationalist doctrine, the East European states developed their economies and consolidated their political systems as hermetically sealed national entities. Moscow permitted no real economic cooperation among them. Polish-Czechoslovak plans, developed during World War II, for a genuine federation between the two states were scuttled by the Kremlin, as was the postwar initiative by the communist leaders Tito and Georgi Dimitrov for a confederation between Yugoslavia and Bulgaria. Instead, all lines of cooperation ran vertically to Moscow, not horizon-

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tally among the regional states. The Warsaw Pact and the Council for Mutual Economic Assistance served essentially as instruments of Soviet control.

Otherwise, each state was strictly isolated from its neighbors. Barbed-wire fences separated communist states as much from one another as they did from the ideologically alien West. Travel was strictly controlled, and so was the flow of press and of educational exchanges. Bilateral economic cooperation was also discouraged in favor of national economic autarky, the latter only restrained by the policy of promoting some degree of economic dependence on the Soviet Union. With Moscow encouraging each state to cultivate both its official ideology and its distinctive nationalism, under Soviet domination East European nationalisms were further intensified and in some cases even warped into chauvinism.

The threat of Balkanization of the region as it emancipates itself from Soviet control is thus real. Economically retarded by the communist experiment, with narrow chauvinism intensified, Eastern Europe is faced with the prospect of internal and external strife as it gropes its way back to a closer relationship with the Western Europe it has always admired. That danger need not express itself in a replay of the old Balkan wars, but can do so through acute ethnic violence, local national clashes and even territorial collisions. The Albanian-Serb confrontations in Kosovo and the Hungarian-Romanian tensions over Transylvania could be portents of wider things to come. In brief, the de-Sovietization of Eastern Europe is not likely to be automatically tantamount to the peaceful expansion of all-European cooperation, with the European Community serving as the model.

III

These dangers pale in significance compared to the growing prospect of truly intense and potentially quite bloody international strife within the Soviet Union. Its various non-Russian nationalisms are less fulfilled and thus even more emotionally charged than those of Eastern Europe, in some cases with less historically defined borders and yet with even more commingling of potentially hostile peoples. Moreover, any attempt by Moscow to satisfy the desires of the historically more recognized nations—notably the Baltic ones, which have been contagiously influenced by developments in Poland—is likely to precipitate claims from newer national aspirants for equal treatment.

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The scale and complexity of the Soviet national problem is striking. Of the Soviet Union's 290 million people, roughly 145 million are Great Russians. The other 145 million—who soon will outnumber the Russians because of more rapid demographic growth—are dispersed among 14 main nations with their own so-called Soviet republics, accounting for approximately 120 million of the 145 million non-Russians. Another hundred minor ethnic groupings have been organized or reorganized in a variety of autonomous republics or national regions. Complicating the picture further—and representing a potential time bomb for truly violent national feuding—is the fact that about 25 million Great Russians live scattered among the non-Russians, and more than 40 million non-Russians live outside their ethnic territories. These "outsiders," who number more than 65 million combined, represent the potential precipitating cause, as well as the likely victims, of any large-scale national strife.

Indeed, not a single non-Russian nation in the Soviet Union exists without significant intermingling of Russian or some other ethnic minority (see Table 1). In some, the major potential line of conflict runs vertically—against the Great Russian Kremlin and its local Russian settlers. That is the case, for example, with Estonia (with its population 25 percent Russian), Latvia (30 percent Russian), Kirghizia (also 30 percent Russian) and Kazakhstan (60 percent Russian or Ukrainian), and potentially the Ukraine (about 20 percent Russian). In others, the lines of conflict tend to be more horizontal—either against some other non-Russian minority (as with the Georgian animus toward the Abkhazians) or against a neighboring Soviet nation (as with the strife between Armenia and Azerbaijan, each of which has significant minorities from the other). In others still, the lines of conflict are likely to be both vertical and horizontal, as is the case in central Asia, where considerable commingling exists among local ethnic groups and Slavic settlers.

Moreover, quite unintentionally, the Soviet regime has created institutional vessels that now can be easily filled with nationalist content. The Soviet political structure has consisted for decades of allegedly sovereign republics, each even enjoying the right to secede from the Soviet Union (although, under Stalin, communist non-Russian leaders were quite often shot for allegedly planning to avail themselves of this "constitutional" option). In fact, offsetting that formal structure was the real

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TABLE 1

NATIONAL COMPOSITION OF SOVIET UNION REPUBLICS

Republic	*Population* (millions)	*Native* (percent)	*Russian* (percent)	*Others* (percent)
Russian	137.6	83	83	17
Ukrainian	49.8	75	19	6
Uzbek	15.4	66	13	22
Kazakh	14.7	33	42	25
Byelorussian	9.6	81	10	9
Azerbaijan	6.0	74	10	16
Georgian	5.0	67	9	25
Moldavian	3.9	65	12	24
Tajik	3.8	56	12	32
Kirghiz	3.5	44	29	27
Lithuanian	3.4	80	9	11
Armenian	3.0	89	3	9
Turkmen	2.8	57	15	29
Latvian	2.5	57	30	13
Estonian	1.5	68	25	7

Note: Based on 1979 census data.

system of centralized power, located in Moscow and wielded largely by Great Russians, reinforced by a doctrine of Soviet "nationhood" based on the Russian language and history. Nonetheless, the fictional political structure of separate national republics continued throughout the Stalinist era; a political framework for the eventual expression and then assertion of ethnic aspirations was, therefore, ready and waiting for the day of national awakening.

That time arrived with Mikhail Gorbachev's *demokratizatsia* and perestroika. Gorbachev's realization that the Soviet system could not be revitalized without a significant decentralization of economic decision-making and without a broader democratization of the political system inherently meant that the national units would have to be endowed with greater authority. That automatically created an opportunity for long-suppressed national grievances to surface and for national aspirations to focus on the quest for effective control over the potentially significant local instruments of power. Hence, again quite unintentionally, Gorbachev's emphasis on greater legality—so necessary to the revival of the Soviet economy—gave the non-Russians a powerful weapon for contesting Moscow's control over their destiny.

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In doing so, they seized on the provisions of the hitherto largely formalistic Soviet constitution. As Article 76 of that constitution states, "A union republic is a *sovereign* Soviet socialist state that has united with other Soviet Republics in the Union of Soviet Socialist Republics" [emphasis added]. The document even affirms in Article 80 a union republic's "right to enter into relations with foreign states, conclude treaties with them" and refers again in Article 81 to "the sovereign rights of the union republics." Indeed, Article 72 even states, without any qualification whatsoever, that "each Union Republic shall retain the right freely to secede from the U.S.S.R." Accordingly, a constitutional framework for the full assertion of national sovereignty has formally existed, almost inviting the increasingly assertive leaders of the non-Russian nations to take deliberate advantage of it.

Paradoxically, the expansion of the Soviet empire into Eastern Europe also helped to legitimate ideologically the national aspirations of the non-Russian Soviet peoples. As long as the Soviet Union was an isolated "socialist" state, Moscow could claim that the union was necessary to preserve "the sacred gains of socialism." But once other communist states had come into existence, even communist non-Russians could claim that there was no longer any doctrinal reason why, for example, a separate but still communist Estonia could not now exist outside the Soviet Union—as was the case with the communist-ruled states of Eastern Europe. The spread of the Kremlin's power beyond Soviet frontiers thus provided additional ideological ammunition, sustaining the national ambitions of the Soviet non-Russian communists.

Finally, the manifest failure of the Soviet system more generally discredited not only the official ideology but especially the practical consequences of the so-called union. Most non-Russians increasingly came to view the very existence of the centralized Soviet state as the cause of their relative impoverishment. In that context, the progressive self-emancipation of Eastern Europe from Moscow's control exercised a special attraction, particularly for those contiguous non-Russian nations located at the western end of the Soviet Union. For them, the gradualist strategy of the Polish independent trade union Solidarity in contesting communist rule served as an organizational model for their own grass-roots mass movements—the Popular Fronts—that have sprung up in several of the non-Russian republics.

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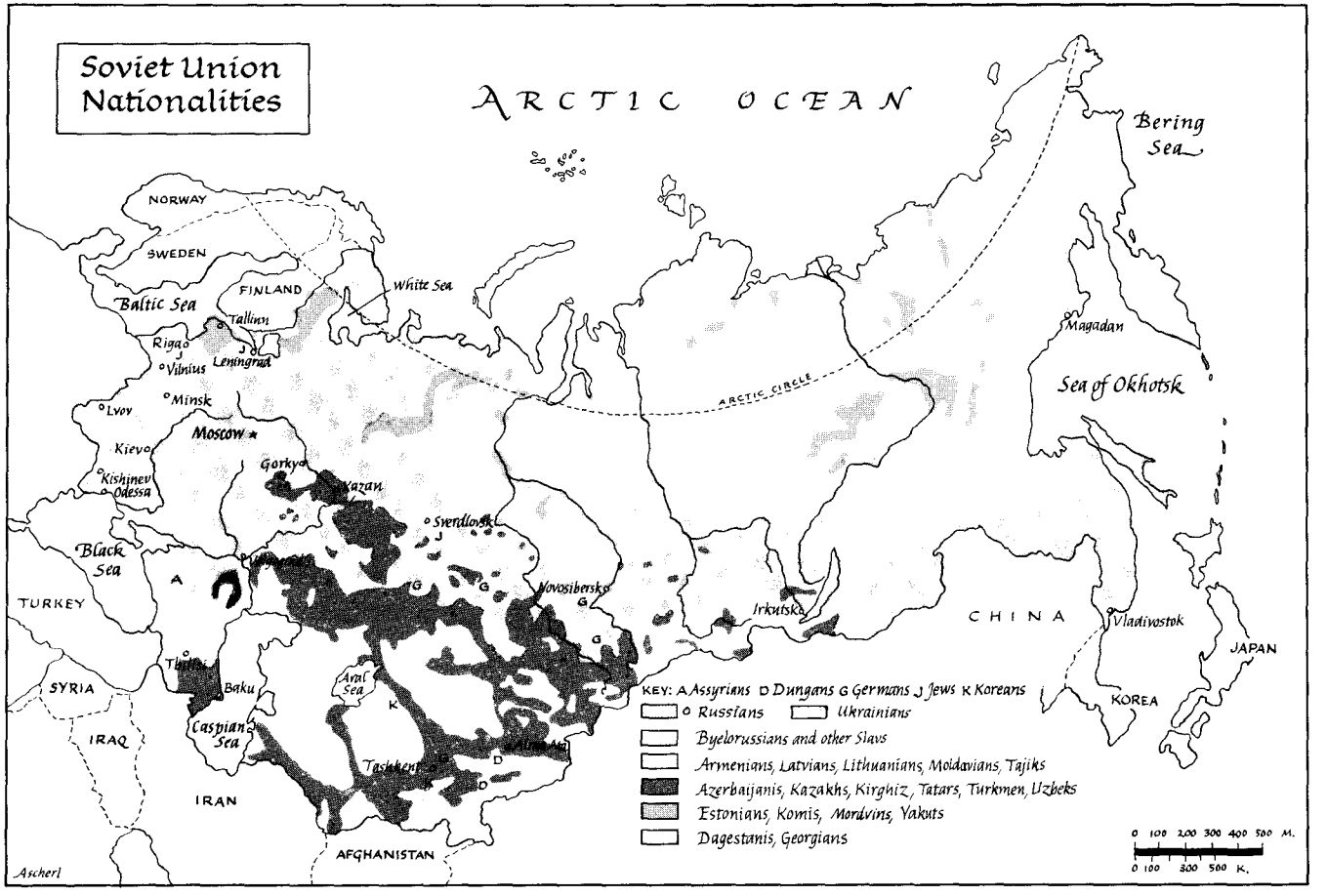

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Five broad stages can be discerned in the expanding process of non-Russian national awakening and growing self-assertion. In the first stage, nationalism typically has tended to focus on demands for the preservation in some significant fashion of the national language, which represent an almost instinctive desire for national self-preservation from progressive Russification. In the second stage, initial success in linguistic self-preservation then normally generates a wider insistence on the promotion of distinctive national cultural autonomy. In the third, this prompts demands for national economic self-determination. In the fourth, the foregoing combination then quite naturally fosters a struggle for national political autonomy. In the fifth, non-Russian nationalism is but a step away from openly proclaimed dreams of national sovereignty.

Generalizing boldly, the politically aroused peoples in the Baltic republics, independent between the end of World War I and 1940, and in Georgia, a historical kingdom prior to the nineteenth century and briefly independent from 1918 until 1923, are now moving from the fourth to the fifth stage. The extremely important Ukraine, which numbers more than 50 million people, has at least reached the second stage, though political winds in Kiev and especially in Lvov point clearly toward the fourth and beyond. Byelorussia and Moldavia are still in the first or second stage. Most of the Soviet central Asian republics—with their Islamic self-confidence heightened by the Soviet debacle in neighboring Afghanistan—are moving from the third stage into the fourth.

In all of the non-Russian republics, however, national passions are being unleashed. Russification is being openly denounced—occasionally in turbulent demonstrations—in literally every non-Russian republic. National-minded elites who do not hide their desire for eventual sovereignty already dominate the Baltic republics politically. Most of the other republics are experiencing similar pressures from below, generated largely by their national intelligentsias. Moreover, intense interethnic violence has also broken out in hundreds of localities, with some thousands killed in communal clashes. It has been officially admitted that hundreds of thousands of refugees have fled national persecution, with, for instance, 350,000 Armenians and Azerbaijanis made homeless by national strife. In all likelihood, the problem will get worse, rather than better.

The national issue has become the central dilemma of Soviet

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political life, overshadowing even the economic crisis. It affects and vastly complicates almost every dimension of the political and economic perestroika. It expresses itself in a variety of ways. It manifests itself—as in the Baltic republics—in the peaceful constitutional struggle for the devolution of power from Moscow and even in unilateral legislation mandating the termination of central control over national resources. It explodes periodically—as in Kazakhstan's Alma Ata in 1986 or Georgia's Tbilisi in 1989—into violence directed at Great Russian domination, with strong overtones of a national liberation struggle against the foreign "occupiers." It takes the form—as in Armenia, Azerbaijan, Georgia, Uzbekistan and elsewhere—of bloody interethnic pogroms, unleashing the most primitive passions. And it infects those scores of smaller peoples who do not even have their own nominal Soviet republics, prompting further demands for the national diversification of what is rapidly becoming the Soviet "Disunion."

Last but by no means least, all of the foregoing is made even more combustible by the extensive commingling of the Russians and non-Russians. With some 65 million people living outside their ethnic homelands and thus in potentially hostile environments, the grim possibility has been placed on history's agenda that Russia's empire, Marx's "prison of nations," could now spin out of control, becoming a battlefield of nations.

Such an outcome would be particularly ominous for the Great Russians. Their empire has expanded over the last several hundred years at a rate equivalent to approximately one Vermont (or Holland) per year. In the process, Russia has become the world's largest and—until now—most enduring multinational empire, controlling by far the largest piece of global real estate. Yet for the foreseeable future, the Great Russians now face the unpleasant dilemma that either a policy of repression of non-Russians or a policy of acquiescent passivity poses an acute threat to their own well-being.

To complicate matters even further, a painful nexus exists between the challenge of East European nationalism and the escalating aspirations of the Soviet non-Russians. The Kremlin would not find it easy to separate a policy of domestic repression of non-Russians from a policy of toleration for the East European nationalisms. It would be even more difficult to continue the domestic perestroika while engaging in repression of the non-Russian half of the Soviet population. Indeed,

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much of the recent national self-assertion within the Soviet Union was stimulated by the successful precedents set by Solidarity and the Catholic Church in Poland. Repression of non-Russian nationalism within the Soviet Union, combined with toleration of it within the Soviet sphere in Eastern Europe, would mean that the external contagion would persist, with the emboldened Poles and Hungarians publicly voicing their support for the suppressed non-Russians, and perhaps with such Soviet "allies" providing political beachheads for continued national agitation within the Soviet Union.

Thus a domestic crackdown would require some turning of the screws in Eastern Europe, even if short of direct intervention. Any such effort would entail real costs, political and economic. Moscow would have to channel its energies and resources into intimidating and bribing the East Europeans, and would have to do so without precipitating highly disruptive outbreaks in the region itself. And the last thing the Kremlin could now wish would be a conjunction of East European and internal Soviet national disorders.

The domestic consequences of the physical suppression of the non-Russians would also entail high costs. A policy of repression would have to be based on intensified Great Russian chauvinism. That, in turn, would breed even more widespread anti-Russian sentiments. Moreover, any attempt at reimposition of centralized Muscovite control would be met with political and perhaps even physical resistance. The non-Russians are no longer the pliant and illiterate peoples colonized by the tsars or the decapitated victims of Stalinism. They now have their own national intelligentsias and their own aroused students and, above all, their own awakened sense of national identity.

Repressive measures would require severe enforcement. That would be likely to jeopardize any serious pursuit of economic decentralization. As a practical matter, effective repression would require enhanced concentration of political power in Moscow, and that would not be compatible with continued economic decentralization. Since even the most modest scenarios of a successful perestroika hinge on enhanced economic activity, especially among the non-Russians, some of whom are the most productive contributors to the Soviet economy, it follows that domestic repression would simply kill perestroika. In effect, repression to preserve the

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empire would require self-abnegation by the Great Russians. They would have to forsake any dreams of greater democratization and of enhanced prosperity for themselves. The brutal fact is that their empire can be maintained only as an impoverished Great Russian national garrison state.

The prospects for the Great Russians, however, are even grimmer if the process of national self-assertiveness continues dynamically to percolate in the fashion of the last two or three years. If the Kremlin acquiesces while the economic perestroika falters, the non-Russians will become even more insistent on retaining the tangible fruits of their labors, to the disadvantage of the Great Russians. Ironically, to the extent that perestroika prospers, it is likely that the non-Russians—and not the Great Russians—will be its principal beneficiaries. It is among the Balts, the Jews, the Georgians, the Armenians, the Uzbeks and others that the traditions of commerce, entrepreneurship and private initiative have been least suffocated by the Soviet experience. The non-Russian peoples have also partaken much less in the Great Russian tradition of subordinating economic activity to state control. These subjective factors, combined with the objective reality of the greater access of the non-Russian regions to world trade and also the relatively greater concentration of natural resources in their lands, make it quite probable that a successful perestroika would leave the non-Russians considerably better off than the Great Russians.

In fact, stripped of any real degree of effective control over the non-Russian lands, the Great Russian plurality could find itself, quite literally, in a genuinely serious crisis of biological survival. The non-Russians have become not only more assertive but also more prolific. Demographic trend lines indicate quite clearly that the Russians are becoming outnumbered. The approximately 50 million Soviet Muslims currently produce as many babies per year as do the 145 million Russians.

To make matters worse, the Great Russian homeland lacks commercial outlets to the world's oceans, adequate arable land and natural resources. It is also cursed by an inhospitable climate and lacks clearly defined natural or ethnic boundaries. Thus any widespread implementation of national separatism would inevitably produce bloody collisions, not to speak of the mind-boggling prospect of an impoverished Russia having to accommodate millions of Great Russian expellees from the non-Russian lands.

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IV

The Great Russians therefore have no choice but to conclude that they are doomed to some form of relatively intimate coexistence with their neighbors. However, the two likely policy responses to the rising difficulties of that coexistence—repression of the challenge, or reactive evasion of the problem in the hope of preserving the essence of the status quo—offer true Hobson's choices. The first policy would retain for the Russians effective political power, but engage them in prolonged and costly efforts to crush national liberation movements, both within the currently Soviet nations and perhaps even within some of the East European ones. The Soviet Union would thereby become a Northern Ireland writ large. A policy of brutal repression would probably also help to rekindle the cold war, guaranteeing for the Russians continued poverty.

The second option—that of largely reactive maneuvering to preserve political power and economic privilege—is unlikely to prevent the empire's fragmentation. In the absence of positive change, the Baltic republics would doubtless attempt to secede and to become somehow associated with the Scandinavian states. That might well lead to a subsequent effort at secession by Georgia, and also to rising demands in some of the central Asian republics for completely independent statehood. It would be only a matter of time before the Ukraine, and eventually even Byelorussia, followed the same route. Russia would suddenly be thrust back to its frontiers of the mid-seventeenth century. The process would most certainly be a bloody one, potentially reminiscent of the Indian-Pakistani population transfers of the late 1940s, perhaps with some painful similarities to the Lebanese tragedy of the 1980s.

What real policy choices do the Great Russians then have, given current dynamics? Quite naturally, they would prefer to maintain the status quo, at a minimum of cost. If forced to choose, they are more likely to opt for all-out repression, though preferably as a last resort. With Great Russian nationalism on the rise, that option is bound to gain more adherents in the near future, especially as acquiescence begins to look more and more dangerous. There is already again much talk among the Russians of the unique mission of their nation, with its historically fated leadership role. At the same time, their concern and sense of frustration are likely to grow as national

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turbulence intensifies and as the communist ideology—which has masked Moscow's rule with a convenient veneer of transnational rhetoric—continues to fade.

A mood of desperation among some Russians has already surfaced in the course of the sessions of the new Congress of People's Deputies. Speaking in early June 1989, one deputy, V. G. Rasputin, a writer, evoked the memory of the great prerevolutionary tsarist prime minister, Stolypin, in castigating non-Russian speakers with a paraphrase of his famous words: "You, sirs, need great upheavals—we need a great country." To the applause of the deputies, Rasputin charged that the alleged "chauvinism and blind pride of Russians are but fabrications of those who are playing upon your national sentiments, respected brothers." Lamenting the lack of gratitude among the non-Russians for the sacrifices made on their behalf by the Russian people, he asked:

> Would it perhaps be better for Russia to leave the union. . . ? We still have a few natural and human resources left, our power has not yet withered away. We could then utter the word 'Russian' and talk about national self-conciousness without the fear of being labeled nationalistic. . . . We would be able to gather the people together into a unified spiritual body.

Again, the Russian deputies responded with applause, and many would doubtless also applaud a repressive effort to sustain the Great Russian empire.

For the time being, however, the Great Russians in the Kremlin are most likely to strive to preserve the status quo by some combination of manipulative repression, selective accommodation and limited constitutional reform. The first involves the continued application of the tried and true policy of *divide et impera*, playing off one non-Russian nation against another, with Moscow acting as arbiter and protector and even using some nationals as enforcers of its will against others. The second entails some specific concessions to the more established and cohesive national republics, in the hope that their aspirations will thereby be satisfied, but without setting off a system-wide chain reaction. That has already happened with respect to the Baltic republics, which are gaining real autonomy. Such preferential treatment for some could be coupled with intensified suppression of the geopolitically crucial Ukrainian and Byelorussian nations, including even the arrest and exile of the nationalist leaders. Finally, Moscow is planning

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some changes in the existing constitution, to enhance the real powers of the non-Russian entities, especially in the socioeconomic realm.

Nonetheless, it is more than doubtful that any of these measures will suffice either in resolving or in containing the dynamics of national awakening within the Soviet Union. The old empire is just no longer tenable. The fact is that the status quo, even in some modified fashion, will no longer satisfy the national aspirations of the nationally awakened non-Russians. They may not all be in the same stage of national development, they may not be able to coalesce against Moscow, and they may have different demands and even conflicting goals (notably territorial ones). But their nationalism cannot any more be squared with continued Great Russian political and economic domination, even if masked and made somewhat gentler.

Moreover, as already noted, the internal problem is being compounded by the national self-assertion of the East Europeans. Their success has had, and will continue to have, a direct impact on popular attitudes in the Baltic republics, the Ukraine, Byelorussia and Georgia. Central Asia has also been fired up by the almost parallel cases of successful Iranian and Afghan national and religious defiance of the superpowers. All of that creates a conundrum of problems, linking closely the threat of East European Balkanization with the potential for Soviet Lebanization, thereby vastly complicating Russia's imperial crisis.

V

The West cannot much longer remain passive on this issue. A great historic drama is in the process of unfolding—and it can have either benign or malevolent international consequences. The stark reality is that the Soviet Union can either remain a Great Russian empire or move toward a multinational democracy. But it cannot do both. Moreover, an imperial Russia is likely to be a militaristic and expansive Russia, whether its ideology is Marxist or simply chauvinistic. It will not even be able to tolerate freedom for the East Europeans, out of fear of domestic contagion.

However, a beleaguered Russia, hesitantly pursuing democratization while reluctantly conceding freedom to its non-Russians, is likely to plunge, together with several of the non-Russian nations, into protracted ethnic violence. Thus, for the sake of European stability, neither the Balkanization of

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Eastern Europe and the Lebanization of the Soviet Union on the one hand, nor the reassertion of Great Russian imperialism on the other, represent desirable outcomes.

For the moment, silence on the part of the West may seem to be the better part of wisdom. In any case, it is certainly more tempting—and easier—to evade this complex issue than to face it. Even worse than ignoring the problem is the occasional wringing of hands over the passing of the "stability" that is said to have been inherent in the cold war competition between the two homogenous blocs. That stability—such as it was—was historically artificial. It was derived from the geopolitical and ideological collision between the two superpowers. The fading of the Soviet Union as a comprehensive rival to the United States—with Moscow now only a power in the military realm—was bound to bring to the surface the aspirations of those nations that were subject to the most severe subordination. This development is to be welcomed, not deplored.

In any case, the easy way out will not remain open for long. As conflicts mount both in the Soviet Union and in Eastern Europe, and particularly if Moscow gradually resorts to an increasingly repressive policy, the issue will impose itself on the attention of the West's public opinion and eventually even on its policymakers. At the minimum, a policy of repression will reinject the human rights issue into the still quite fragile East-West accommodation. Moreover, at some point the question will arise: by what standard does the West choose to support, for example, Polish independence but to ignore the cravings of, say, the Lithuanians or, before too long, of the Ukrainians, for their own national statehood?

Moreover, it is already evident that the focus of the great historical East-West contest is shifting eastward. It is useful to recall that during the 1940s and 1950s, and even into the 1960s, the political struggle between the East and the West was waged largely west of the dividing line in Europe. It was a struggle over the future of France and Italy, with their Communist parties playing an important role. Meanwhile, the Soviet Union was relatively free to consolidate its hold over Eastern Europe.

History's dilemmas will now be played out east of the central European dividing line. For the next decade, the critical question in Europe will be the fate of Eastern Europe, whether it will succeed in eventually rejoining the rest of Europe, thereby emancipating itself fully from Soviet control. Into the

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next century, it is also now likely that Lithuania, Latvia, Estonia and the Ukraine will be the theaters of political contest—reflecting the simultaneous fading of communism as an ideology and of Russia as an imperial power.

It is therefore timely for the West to formulate its own general approach on this large issue before national turmoil in the Soviet world begins to undermine the East-West relationship as a whole. The West's attitude should reflect the norms that have gained universal acceptance in our age and should aim at creating arrangements that benefit the peoples swept up by the ground swell of national feelings. It should emphasize that the West does not seek the fragmentation either of Eastern Europe or of the Soviet Union but rather wishes to facilitate the historically significant process of transforming ongoing repressive political arrangements into more voluntary and cooperative relationships.

More specifically, for Eastern Europe, the West should stress its readiness to work out a long-term program of gradual association with the European Community for those East European countries prepared to adopt internal pluralism as their basic mode of social organization. Some forms of intermediate status should also be worked out, so that the East Europeans can be gradually introduced into the larger patterns of European cooperation. Membership in the Council of Europe for Poland and Hungary could be the first steps.

In the meantime, the West should also stress that more limited East European or central European cooperative arrangements are in themselves desirable. For example, Hungary and Austria are already working together on the joint Vienna-Budapest World's Fair scheduled for 1992, and further economic cooperation between them seems feasible. Such cooperation might extend also to Yugoslavia, where certainly Croatia and Slovenia would be receptive. Much closer relations—perhaps eventually even of a confederative character—between Poland and Czechoslovakia would certainly have economically and politically stabilizing effects in central Europe, and they should be explicitly encouraged. Institutionalized Polish-Czechoslovak cooperation would create a stronger unit in the vulnerable area between Germany and Russia, and thus contribute to greater central European stability. Similarly, at some future point, new forms of Balkan regional economic cooperation could be encouraged, so that the fading of communism is not followed by the surfacing of belligerent nationalisms.

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The Council of Europe and the European Community could also make an important contribution by offering to assist the creation of a central European program for ecological salvation. The ecological crisis in the area is grave. The Polish-Czechoslovak-East German industrial triangle is the world's most polluted region. Bitter disputes are breaking out among the states of the region regarding responsibility and liability for the rapidly spreading havoc. National hostility and ecological devastation can feed on each other. Thus, genuine regional cooperation is urgently needed, and West European institutions could take the lead in facilitating it.

In recent years, several Southeast Asian nations developed a cooperative association—ASEAN—despite their relatively intense nationalisms, old quarrels and great geographical separation. Surely, then, it is not utopian to urge the East-central Europeans, who can interact so much more easily, to do likewise. Given their historical vulnerability to intrusion by stronger neighbors, and given the potentially destructive effects of the national conflicts between them, the advantages of wider regional cooperation should not be entirely lost upon them.

Eventually, in a more cooperative central Europe, the emergence of some all-German confederational arrangement might become possible, thus providing a solution to the legitimate desire of the Germans for national self-determination and relief for the legitimate fears of Germany's neighbors of a reunited, powerful Germany. The division of Germany can best be resolved within such a broader, and thus more reassuring, European framework.

The reassociation of the two German states could entail some special security provisions, designed to alleviate the fears of Germany's eastern and western neighbors. For example, reunification through confederation could be combined with a special arrangement providing for the continued presence on German soil of military forces from the existing two alliances for an agreed period of time—say, twenty years. In other words, the political self-determination of the Germans—a significant change in the existing situation—would not be tantamount to an immediate upheaval in the existing security situation. This would make the satisfaction of legitimate German aspirations less threatening.

Such an arrangement could also become the foundation for an all-European system of security, designed to reduce the risk

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that the wider processes of change in central Europe might lead to a sudden imbalance in the European order. The best formula would probably be a joint NATO-Warsaw Pact agreement regarding the reunification of Germany (subject to the special security provisions outlined in the preceding paragraph) with the two alliances thereby becoming joint guarantors of the ongoing geopolitical realities, including existing borders, but with the Warsaw Pact no longer serving as an instrument of ideological imposition. In other words, for example, a noncommunist Poland or Hungary might still be a member of the Warsaw Pact, but for geopolitical rather than ideological reasons. Such an arrangement would also help to mitigate the danger of any renewal of old territorial conflicts, especially in Eastern Europe.

None of this would be a panacea, resolving once and for all the national dilemmas of the region. But it is time for Western leaders to start outlining in more detail the democratic vision of the eventual organizational shape of post-communist Europe so that the continent's recovery from the traumas of this century is relatively stable. Even very general and quite visionary formulations can have the positive effect of defining constructive channels for the changes already under way and thus of lessening the danger that such changes might assume destructive forms.

VI

A constructive vision of the future is similarly needed for the Soviet Union. Here, too, the West can help, both by articulating more explicitly its perspective on the painful dilemmas confronting almost all of the nations inhabiting what is currently still a Great Russian empire, and by indicating Western willingness to assist tangibly a positive process of basic reforms. Surely, some sort of peaceful accommodation among the different Soviet nations is preferable either to brutal Russian repression or increasingly bloody violence. The West should, therefore, not be shy in publicly stating that it favors the eventual transformation of the Soviet Union—which in reality is a Great Russian empire—into a genuinely voluntary confederation or commonwealth.

A politically appealing vision inevitably must challenge existing reality. But a vision is necessary to impose order on dynamic change that otherwise might become chaos. It is, therefore, not utopian but actually realistic to try to define new

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formulas for the increasingly crisis-ridden Soviet Disunion. Moreover, given the intense admiration of all things American now so fashionable among the politically articulate Soviets, it behooves Americans to proffer concrete suggestions for how to alleviate the intensifying Soviet inter-national conflicts through deliberate adoption of confederational arrangements.

More specifically, as the Soviets grapple with their problems, they would be well advised to examine the possible relevance of some multinational solutions adopted and practiced in the West. For example, Canada offers both an excellent internal and external model. Internally, the status of Quebec might have some relevance for those Soviet nations that choose not to secede; for some, externally, the economic arrangements between Canada and the United States could provide guidelines for a possible post-secession accommodation. Some of the emerging institutions within Western Europe also contain useful lessons in genuine cooperation combined with national sovereignty. Notably absent in all such arrangements is the existence of a monopolistic, disciplined and doctrinal ruling party controlled by a single national group. Hence the question of the eventual dispersal on a national basis of the existing Communist Party of the Soviet Union (CPSU) will almost inevitably have to surface in the course of any truly serious Soviet discussions of the national issue.

In any case, a genuine confederation or commonwealth would be the best option for everyone concerned: the Russians, most of the non-Russians and certainly the outside world. It is, in fact, the only option that can combine some degree of continued unity with democracy. For the Russians, it would mean that democracy and prosperity would no longer be impossible goals, as the Russians would no longer have to bear the consequences of being the oppressors of others. For the non-Russians, it would provide genuine political and economic power within their homelands, but without the violence and the conflicts that would be the inherent concomitants of any effort to disentangle the existing ethnic and territorial mosaic. For the outside world, a genuinely pluralistic Eurasian commonwealth, instead of the Russian-dominated Soviet Disunion, would inherently be a much less centralized, less militaristic, and therefore less imperially expansive state.

A real confederation, furthermore, would have the healthy effect of severing the mystical connection between Russia as a nation-state and Russia as an imperial entity. It would de-

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mythologize Great Russian nationalism by transforming Russians from masters to partners. A division of labor between Moscow and Petrograd, with one serving as the confederational and the other as the national capital, might also help symbolically to focus Russian loyalties on a national state of their own, with its separate national capital, rather than on some supranational divine or ideological mission.

The transformation of the de facto centralized Soviet Union into a confederation would also require basic changes in the role and organization of the ruling CPSU. Its Leninist structure and discipline are fundamentally incompatible with the functioning of a decentralized confederation. At the very least, the formation of separate communist parties within the national republics, as well as of noncommunist political organizations, would have to be permitted. It is noteworthy that the Lithuanians are already spearheading a drive in that direction.

A true confederation or commonwealth could also embrace a greater variety of socioeconomic systems than is feasible under the existing centralized Soviet system. Some non-Russian republics would be likely to shed rather quickly the last vestiges of the communist planned economy and to adopt some forms of political pluralism. Others, notably Russia itself, for a variety of historical and cultural reasons, might prefer to retain some form of statist "socialism." All probably could retain the term "soviet" for the confederation or commonwealth, since the word "soviet" does not imply any specific ideological content but is merely the Russian word for council. ("Soviet Union" literally means "Councillar Union.")

Would such an outcome satisfy the aroused nationalisms of the non-Russian peoples? Probably not all of them, though for some it might be a preferable option to the pains of disengagement and to the consequences of becoming suddenly vulnerable to hostile neighbors. A genuinely decentralized commonwealth or confederation could certainly assure the participating nations not only cultural but real economic and political self-determination, subject to some common reserved powers for a jointly shared central government. A genuine confederation could even offer economic benefits, and also some security advantages, that complete independence might not provide. Hence it could be an attractive option for some of the nations currently dominated by the Kremlin and the Great Russians.

But some of the non-Russian nations may still choose to opt

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out. They are, however, more likely to insist on complete secession and independence if the alternative is the existing, or an only slightly modified, Soviet Union. Secession by even one nation is also much more likely to be contagious in a Russian-dominated Soviet Union than in a genuine confederation. A decentralized Eurasian confederation, no longer dominated by the Great Russians, might be a less unacceptable arrangement.

Nonetheless, it is almost a certainty that some non-Russian nations, notably the Baltic ones, will continue to seek complete independence—a status they enjoyed until their incorporation into the Soviet Union through Soviet-Nazi collusion. Such aspirations are certainly legitimate and deserving of Western public sympathy. The West's public opinion would not be true to its own principles—to its commitment to self-determination and to respect for human rights—if it was unsympathetic, or even merely indifferent, to the cravings of the Baltic peoples or others for national independence. And that aspiration is particularly not to be denied to peoples that are genuine nations, that have their own history, language and defined political identity.

Moscow should, therefore, provide for the option of a formal plebiscite to determine whether a national people desires to secede, especially since the current Soviet constitution acknowledges the right of secession to republics. However, even formal secession need not mean complete rupture. Secession by nations that might opt for genuine independence could be made conditional on treaty-based associate status with a Soviet Confederation—especially in economic cooperation and perhaps even in some security arrangements.

The West's actual political response to efforts at secession from the Soviet Union should, therefore, be derived from a careful and prudent assessment of what is actually transpiring within the Soviet Union on the admittedly difficult national issue. After all, the Soviet Union could soon be retrenching instead of reforming, reestablishing centralized imperial rule in which Great Russian dominion is masked by communist phraseology. The West could not remain silent were police and military units to arrest Baltic or other national leaders, suppress with lethal force peaceful national demonstrations (as already has happened in Georgia) and in effect reconsolidate an empire by brutal force.

If such a trend should become clearly dominant—and

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currently it does appear that the Brezhnev doctrine is alive and well mostly for the Soviet Union *itself*—the West's commitment to human rights will dictate a policy response that, in effect, will be tantamount to external support for the non-Russian aspirations. Even if Western governments chose to be more circumspect, much of the democratic world's public opinion would be outraged. The countless private organizations that reflect it will become more heavily engaged in supporting the victims of the Kremlin's heavy hand. The international consequences for the Soviet Union would be highly negative. Moscow would be ostracized and sharply criticized—as should be the case, if the West in fact stands for its professed ideals.

However, the West's political response to secessionism should be more tempered if the Soviet Union does become engaged in a bona fide effort to redress fundamentally the existing national inequities. If demonstrably serious reforms are transforming existing Russian imperial rule into a genuinely multinational structure, and if the non-Russian nations are gaining effective control over their own states and thus producing a true confederation or commonwealth, the West should do more than merely applaud. It should then tangibly help that experiment.

The existing Soviet Union is not only an imperial Russian state but also largely an underdeveloped society. America, Western Europe and Japan have the means to help the peoples inhabiting the Soviet Union to undo their primitive poverty—a poverty maintained by the statist centralism inherent in Russian imperialism and communist dogma. A decentralized confederation would be far more likely to generate genuine social innovation, and it would certainly pose less of a threat to the outside world. That outside world, in turn, would therefore be well advised to assist tangibly any such institutionalization of pluralism through credits, joint ventures and more trade. The emergence of a pluralist Soviet Confederation would mean the end of the cold war, of the Russian imperial drive, and of the related enormous military expenditures. All would thus benefit.

Admittedly, much of that may still lie in the distant future. But given the accelerating velocity of history, the West should focus on the issue and also take some modest initial steps. One concrete action would be for the United States to double the $15-million annual budget of the National Endowment for Democracy, for the explicit purpose of assisting democratic

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national movements in the Soviet Union. Those Balts, Ukrainians, Georgians, Tajiks, Russians and others who are striving to create new relations of mutual respect and equality among their nations deserve encouragement and support. Similarly, it makes sense to encourage Western economic ventures, vastly increased academic exchanges and diplomatic contacts, particularly with those non-Russian nations that have shown evident determination to throw off outdated imperial structures.

VII

The specter that haunts the Russians in the Kremlin is that of nationalism—both within the Soviet Union and in Eastern Europe. The only constructive response to that condition is for the Russian people to be given the opportunity to shed their messianic complexes—either that of a Third Rome or of some "internationalist" Leninist mission—and to accommodate themselves to the necessity of coequal cohabitation with other nations. After three hundred years of almost continuous expansion, but now increasingly showing symptoms of imperial fatigue, the Russian people would be the principal beneficiaries of such a change in their national ethos.

The West can help especially the Russians at this crucial historical juncture by not only articulating positive visions of a confederated but nonthreatening Germany, of a regionally more cooperative Eastern Europe engaged in all-European institutions, and of a post-imperial Russia within a Soviet Confederation, but also by indicating its readiness to assist very tangibly the translation of such visions into a mutually beneficial reality. Over the years, the West has propagated pluralism, democracy and the market system as the superior social combination—while the Soviet propagandists derided these notions. Yet today these ideas dominate even the Soviet discussions of perestroika. Similarly, the West should now take the lead in advocating open and voluntary confederational arrangements as the only solution to the potentially lethal challenges of nationalism in the emerging post-communist era.

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Jerry F. Hough

GORBACHEV'S POLITICS

During the late 1970s and the early 1980s the idea that a truly radical reformer could emerge as Soviet general secretary, and especially that such a reformer might emerge from the Communist Party apparatus and Leonid Brezhnev's Politburo, seemed virtually unthinkable. This assumption determined the Western view of Mikhail Gorbachev until the Chernobyl nuclear power plant crisis, the emergence of the policy of glasnost and the release of Andrei Sakharov from internal exile in Gorky in late 1986. For the next two years, most analysts emphasized the overwhelming conservative domestic opposition to Gorbachev and to his reform programs. With the elections to the new Supreme Soviet in March 1989 and the coal mine strikes the following July, however, the perception of overwhelming danger from conservative social forces gave way to a perception that the real danger was from the left.

Through all of this continuing American anxiety, all the traditional analytic indicators have suggested that Gorbachev was steadily accumulating power, and was at the same time acting with extraordinary self-confidence in the conduct of foreign policy. Even in economic policy, Gorbachev has moved from reform measures that were unthinkable only a year ago, to other measures that were even more unthinkable. Thus, the most immediate results of the sessions of the Congress of People's Deputies and Supreme Soviet were to discredit Premier Nikolai Ryzhkov and to overcome his opposition to reform. (Ryzhkov himself called it a "rectification" process.) The most immediate result of the coal strikes and the Baltic agitation for nearly full autonomy were counterdemands by Russian coal miners and the Russian Republic government for a price reform that radical economists had been saying was politically unacceptable to the Soviet people.

The suggestion has been made that all of this turmoil proves

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that Gorbachev has no strategy. If we in the West are surprised by events, then we think that Gorbachev must be surprised by them. If we do not understand what is going on, then we think that things are out of control. That is wrong: Gorbachev has a strategy.

Indeed, our constant sense of anxiety about perestroika, coupled with an ever-shifting analysis of the reasons for our anxiety, suggests that the trouble may be in us, not in Gorbachev. The analysis that has been closer to the truth suggests that Gorbachev is a very skilled politician who knows what he is doing, that he is operating a political system using some traditional levers of power and is responding to—and manipulating—social forces of a type that were anticipated in American theories of totalitarianism and modernization of the 1950s. But instead of following these theories we have allowed our analysis to reflect the stream of ever-changing rumors in the Moscow intellectual community.

If we are to understand the Soviet present and future, we must step back from—and in large part simply ignore—the Moscow rumors and ask ourselves more fundamental questions. What are the major forces of contemporary Russian history? How is Gorbachev trying to direct them and use them?

II

We must begin by recognizing that a most fundamental change is occurring in both Soviet domestic and foreign policy. Paradoxically we have found this hard to accept because we have abandoned our old understanding of Russia, its history and its people. During the first great flowering of Soviet studies, in the 1950s, it was said—I would say, was recognized—that Russia was a fairly normal European country. Observers pointed out that "Europe" featured great diversity in its political and economic development, with Spain and Portugal being far different from Germany (or the German states) and Greece from England. They emphasized that the path to democracy was very fitful throughout Europe in the nineteenth century and the first four decades of the twentieth century. Today we have a more idealized view of the tradition of "the West," but the generation of scholars who had come of age in the 1920s and the 1930s had a very clear and anxious sense that democracy might be an unnatural deviation from the course of European history, not its natural line of development.

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The Russian path to democracy was slower than most in the late nineteenth century, but we believed that this was the result of the delay in the country's industrialization. We saw the democracy of the village *mir* and then the reforms of the second half of the nineteenth century as part of a Russian tradition on which fuller democratization could be built.[1] Once rapid industrialization and the rapid growth of the middle class began in the 1890s, we accepted the half-successful revolution of 1905, the cultural-economic-political liberalization of 1906–1914, and the democratic revolution of February-March 1917 as falling in the natural course of Russian history.

It was the Bolshevik Revolution of November 1917 that we saw as a wrenching tear in the pattern of Russian history, in retrospect, as great as the later Nazi revolution in Germany and similarly a product of extreme and temporary social dislocations. W. W. Rostow called communism "the disease of the transition," and in both the Russian and the Chinese cases Western observers emphasized the devastating impact of war on the cohesiveness of the army's ability to control extremist elements.

Now many see the February-March revolution as the unnatural one and the Bolshevik Revolution as the return of Russians to their "natural" authoritarian, xenophobic, security-centered path. This view is expressed in euphemisms: some simply write of the conservatism of all of Russian society, others emphasize the "social contract" in which Brezhnev's combination of authoritarianism and security-oriented welfare state gave the Russians what they supposedly wanted; and still others stress the continuing impact of an authoritarian "political culture." Some observers of international relations made the point indirectly by treating "Europe" as ending at the Soviet-Polish border. But the point was summarized most succinctly at the end of Hedrick Smith's enormously popular book *The Russians*: "It was the same under the czars. They're the same people."[2]

The implications of these two competing views of Russian history and the Russian people are starkly different. If Brezhnevism was a social contract that gave the Russian people what they wanted, if it was the natural product of Russian political

[1] S. Frederick Starr, "A Usable Past," *The New Republic*, May 15, 1989, pp. 24–27.
[2] Hedrick Smith, *The Russians*, New York: Quadrangle/The New York Times Book Co., 1976, p. 509.

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culture and history, then the 1985 predictions that Gorbachev represented only a change in style, not substance, and the claims of an overwhelming conservative opposition to his reforms made logical sense. This view was expressed in an article by George Feifer in *Harper's* in 1981, quoting Russians he had met:

> If the hated regime were to collapse overnight, fierce nationalists would be more likely than enlightened liberals to replace it. . . . Every one of these party bosses is a drab, empty functionary. . . . Everybody knows that replacing the first secretary (of a region's Communist Party organization) . . . would change nothing because the new one would be exactly the same kind of man. A better one just can't get to that position.[3]

It turned out, however, that at least two regional first secretaries—Mikhail Gorbachev and Eduard Shevardnadze—were in fact quite different. It also turned out that the Central Committee elected a month after Feifer's article was composed of party officials and former party officials who were to elect Mikhail Gorbachev as general secretary four years later.

The implications of the older view of the Russian people are very different. If Bolshevism was the unnatural product of a dislocated population at the beginning of the century, if it was an unnatural break with Russian history, if it was a disease of the transition, then the rise of a huge middle class and the passing from the scene of the teenagers of the Civil War (the Brezhnev generation) and, finally, the death of Brezhnev—all should produce enormous change. It is the occasion for the return home of Russians to Europe. Transitions are, after all, transitory.

This older view of the Russians is the correct one. The Russians are, in fact, returning home to Europe. Home, however, has changed in 70 years. The Estonians dream of a return to their sovereignty of 1939, but no country in Europe has that kind of sovereignty today. Europe is no longer a place of warring nation-states, but an increasingly integrated community. If the processes of Western integration deepen after 1992, the difference between the sovereignty of West European states and the kind of autonomy enjoyed by Quebec inside Canada will continue to narrow. For this reason, the reintegration of Russia into the Europe of the 1990s involves even more enormous change than if it had occurred earlier.

[3] George Feifer, "Russian Disorders," *Harper's*, February 1981, pp. 53–54.

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III

There are many ways to describe the traditional communist system, and some illuminate today's driving forces for change better than others. Again, however, it is an older insight about totalitarianism that is of the most help—that about the strong similarity between left- and right-wing extremism. The Bolshevik leaders shared important common features not only with Adolf Hitler, but also with the Ayatollah Khomeini. Western conservatives were correct when they said that the essence of communism was a repudiation of Western civilization—or at least of modern Western civilization.

Bolshevism drew its support from the same type of frightened newcomer to the cities that would later support Khomeini. In practice, it implied a rejection not only of the market forces in the economic base of capitalism, but also of its superstructure—modern Western culture, politics and values that Marx claimed simply served the interests of an exploiting ruling class. The essence of communism was an erection of an Iron Curtain against frightening market forces (especially foreign ones) but also against frightening modern Western culture.

By the 1980s three central developments had undercut the support for the communist system as it had emerged in the Soviet Union. First, the social conditions that produced support for Lenin and Stalin disappeared as thoroughly as those that produced support for Hitler in Germany. A huge middle class had been created: the number of Soviet citizens with a high school diploma or better increased from 25 million at the end of the Khrushchev era to 125 million today.

The radical Moscow intellectuals usually analyze Soviet urban society in terms of the intelligentsia, the bureaucrats and workers, and we too seldom think of a Soviet middle class. Nevertheless, the much maligned "bureaucrats," other than those at the very top, really are the middle class. They are grossly underpaid and economically underprivileged compared to Western standards. They too suffered from the restrictions on travel and on the media, on which they relied for their information and entertainment.

The workers are a mixed group. The older workers and the newcomers from the countryside are scarcely middle class, but those under 30 years of age with a high school education are a different sort. Bright and ambitious workers (and their children) do not want to stay on the assembly line, but to move up

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into the middle class as shop owners, small businessmen and construction contractors. During the first six months of 1989, the number of people employed in cooperatives rose from 1.4 million to 2.9 million.[4] Conservatives have begun to complain about the flow of workers from state industry into the cooperatives, and about factories idle for lack of workers. A young private taxi driver in Moscow I spoke to estimates that up to thirty percent of his generation now works in the cooperative sector. While this figure is undoubtedly high, it is precisely the most talented and ambitious young people, those who might cause political trouble, who are enriching themselves in great numbers. The fact that Siberian coal miners struck for more independence for their mines, and for a rise in coal prices, was a flash of lightning that illuminated the Soviet scene.

The members of the new Soviet middle class were taught Russian nineteenth-century literature when they were young, and they absorbed its values. When they were teenagers, they did not have a xenophobic fear of the West, but yearned for blue jeans, jazz, Western films, any Western souvenirs. Their attitude toward the West has not changed now that they are in their fifties. When the coal miners of remote Siberia struck this spring, one of their demands was access to foreign currency so that they could buy foreign goods. Back when Malenkov and then Kosygin tried to mobilize the Soviet middle class, it was too small; now it is the dominant social force in the country, even within the party.

The second major development that undercut communism was an economic one. The Iron Curtain that protected frightened newcomers to the city from world market forces also protected Soviet manufacturers from world competition. Even when foreign goods were imported, local manufacturers lost no business and did not have to raise the quality of their goods in response. Unlike their counterparts in Japan (or even East Germany), Soviet manufacturers were under no pressure to export, hence they did not even have to meet foreign competition abroad. Western textbooks proved to be absolutely right on the consequences of protectionism, let alone total protectionism: low quality, lack of innovation, inefficiency and unresponsiveness to consumer demand. The Stalin and Brezhnev generations promised that autarky would make Russia superior to countries with a capitalist system; instead autarky doomed Russia to inferiority.

[4] *Pravitelstvennyi vestnik*, September 1989, p. 10.

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Third, as Russia moves toward the next century, it faces a totally different geostrategic situation than it did through most of the twentieth century. Historically, the threat to Russia came solely from Europe. Although Japan posed a military challenge early in the twentieth century, and China an ideological one in the second half, the basic fields of force to which Russians reacted were European.

Those who led the West in the postwar era realized an enormous achievement, one that transformed the fields of force: the end of over four hundred years of war on the West European continent. A common European home has been created from the Elbe River to California, with six hundred million Europeans now living in peace. As a result, the Soviet Union no longer faces any threat from the West and has no need for buffer states. To the extent that Western nuclear weapons do pose a potential threat, buffer zones are no defense against intercontinental ballistic missiles. In addition, the Soviet Union has learned that communist colonies in Eastern Europe—let alone hypothetical ones in Western Europe—can be as much an economic drain and political headache as overseas colonies were for Britain and France.

Therefore, as Russians look toward the 21st century, the great potential danger comes from Asia. China with a billion people and atomic weapons, and even India, with nearly as many people and the capacity for a nuclear arsenal, will become industrial superpowers. It is very likely that at some point both will build more powerful military machines. This will transform the geostrategic considerations for all great powers, but for the Soviet Union most of all.

In short, the Soviet Union now has a large educated middle class that is less obsessed with security, wants more freedom for itself and a much fuller integration into Europe, and insists that this opening to the world economy is crucial for the nation. It argues that the rise of Asia makes domestic stagnation and enmity with Europe intolerable. The right-wing nationalists have no effective answer to the charge that their isolationism and support of traditional peasant values will leave Russia defenseless. We grossly exaggerate the strength of conservatives in the Soviet Union, for the Westernizers have been able to seize the banner of Russian nationalism and patriotism from their hands.

Gorbachev's policy is to be understood in these terms. While early Soviet leaders sought their social support from workers

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and from those administrators and engineers who came directly from worker and peasant stock, Gorbachev is seeking his support from the broader middle class—not just the intellectuals, but also the so-called bureaucrats and the educated workers who want to enter the middle class. He uses the phrase "common European home" to refer both to his domestic policy of reintegrating Russia and Eastern Europe (including East Germany) back into European civilization and the world economy and to the foreign and military policies that are necessary to achieve it. Just as Stalin justified his policy of autarky as necessary to build Soviet national power, Gorbachev makes the same claim for his policy of ending autarky.

IV

If, however, the pressures for Russian integration into the world economy—and consequently into world civilization—are absolutely compelling and inexorable, the path by which this occurs need not be so. When peoples as diverse as the Spaniards, the Brazilians and the South Koreans have developed a large and educated middle class, they have pushed for full democratization. The sudden talk in the West about the threat of anarchy in the Soviet Union at a minimum reflects an understanding that there are powerful forces that may push liberalization outside the framework of a one-party system toward Western-style democracy.

Americans are finally becoming aware of the danger to Gorbachev from the left. They have begun to recognize that Boris Yeltsin is Gorbachev's chief opponent, not his closest ally as they thought before Yeltsin was removed from the Politburo in 1987. And they can quote remarkable, unprecedented statements from high Soviet officials. The first secretary of the Chita obkom in Siberia was particularly alarmist: "The events in the Kuzbass [coal fields] have thrown me into shock to a certain degree. I think that if Siberia has not stood firm, if people have been reeling even here, then we are almost on the brink."[5] The chairman of the Council of Ministers, Nikolai Ryzhkov, seemed to agree:

> The party, practically speaking, is losing authority in the eyes of the people. . . . Consciously or unconsciously, the appearance is continuing to be preserved that nothing special has occurred, that the basic levers remain in

[5] *Pravda*, July 21, 1989, p. 4.

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our hands as before and that with their help, with the same old methods, we can still control the complicated processes that are developing in our country, but this is being done at a time when influence, power, and the possibility of influencing everything that is occurring in society is being lost.[6]

Without any question, Gorbachev does have opposition on the left as well as on the right, but we need to be very cautious not to exaggerate it. Gorbachev himself responded to the complaints of those such as Ryzhkov with near contempt: "Surely," he said, "it is not necessary to panic when revolutionary processes become a reality. It was *we* who produced them with our policy. Didn't we understand this when we discussed all this?"[7]

We need to take this statement of Gorbachev's very seriously. In fact, very little has happened in the last year that was not the consequence of conscious policy. The nomination of candidates to the March Supreme Soviet elections could have been more tightly controlled—and, in fact, it often was except in areas like Moscow, Leningrad, the Urals and Siberia, where the Politburo conservatives such as Yegor Ligachev and Lev Zaikov were humiliated.[8] The meetings of the Congress of People's Deputies did not have to be shown on television, and radical delegates did not have to be given so much access to the podium—so much that other delegates complained. Since nationalist demonstrations in potentially violent Kazakhstan and Georgia were quickly suppressed, it would have been easy to suppress developments in the tiny Baltic states. And while the coal strikes were probably unintended—although certainly stimulated by the electoral campaign, the congress speeches on the conditions in the area and the outrageous near-unanimous confirmation of the minister of the coal industry by the Supreme Soviet—there was no need to give them the degree of press coverage they received in the Soviet Union. The statements such as the Chita obkom secretary's and Ryzhkov's did not have to be published in *Pravda*. Gorbachev may have made one mistake after another, but they were conscious decisions, not a forced response to irresistible pressures. The heightened economic expectations in the Soviet Union today are also a response to his rhetoric.

[6] *Ibid.*, p. 3.
[7] *Ibid.*, p. 1.
[8] For a detailed examination of election results, see Jerry F. Hough, "The Politics of Successful Economic Reform," *Soviet Economy*, No. 1, 1989, pp. 3–46.

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Gorbachev has been extremely careful, methodical and skilled in the way he has consolidated power within the party. He has full access to KGB reports, secret public opinion polls and information from the party apparatus, and it has not been his style to be politically reckless. When so many Western observers have been consistently wrong over the last five years, when their analysis has changed in six months from emphasizing the insurmountable conservative opposition to stressing the potential of anarchy, it is surprising that these same observers are still confident that they understand the political dynamics of the Soviet Union better than the general secretary. We should consider the possibility that Gorbachev, with all the sources of information (secret and open) at his disposal, is smart enough to evaluate the risks of his actions and to do what he needs to do.

The basic factor that Gorbachev understands—and that also underlies the longstanding perception of the Soviet intelligentsia that the Russian people are basically conservative—is the effect of the multinational character of the Soviet Union on the Russian attitude toward full democracy. The vast majority of Russians—even highly educated Russians, including the intelligentsia—are very leery of the possibility that a multiparty democracy would lead to the establishment of separatist parties in union and autonomous republics that would gain majority support. Ligachev was speaking for the majority of Russians (and probably for Gorbachev as well) with the following statement last July:

> Recently calls for a multiparty system have been heard. In the conditions of a federative government such as the Soviet Union, this is simply fatal. A multiparty system would mean the disintegration of the Soviet system. . . . The Communist Party is the only real political force which unites all peoples of the country into a single union of republics. There is no other.[9]

We in the West have become so obsessed with the potential disintegration inherent in the multinational character of the Soviet Union that we have forgotten the integrative mechanisms in such a system. Indeed, if Russia were an ethnically homogenous country such as Japan, there would be no possi-

[9]*Pravda*, July 21, 1989, p. 3. Gorbachev was only slightly less specific at the September 29 plenum of the Central Committee: "I want to emphasize as a key question of party structure: we are for an all-union state, for a federation of peoples, and, together with that, we are for the unity of the party, which is the important factor in consolidating society."

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bility for Gorbachev to prevent the kind of democratization that developed in Spain, Brazil and South Korea. What is crucial about protest in the Soviet Union is not the occurrence of demonstrations in Tallinn, Kishinev and Baku, but the absence of significant demonstrations by the students in Moscow and Leningrad. It is the former demonstrations that are the most powerful deterrent of the latter, for the Moscow students fear that democracy for themselves would mean the breakup of the union. A Boris Yeltsin who is forced to concede that this program means the possibility of independence for the Baltic republics faces a virtually impossible task in winning the populist mandate.

V

We are, indeed, witnessing a period of turmoil in the Soviet Union, but there are many kinds of turmoil. In the Iran of 1977, or in the Philippines of 1985, revolutionary forces could not be controlled by the old regime. On the other hand, the turmoil in the United States in the 1960s and the early 1970s, while directed against the government in power and its policy, never came close to threatening the stability of the political system. The upheavals in the Soviet Union from 1927 to 1930 were to a very considerable extent directed from above, as Stalin moved to consolidate his political power and conduct a revolutionary policy to overcome the economic problems of the time: it presented only the most minimal threat to the leader or the system. It is this Soviet turmoil of the late 1920s that provides the best analogy to bear in mind in seeking to understand the contemporary Soviet Union.

As Mikhail Gorbachev surveyed his problems in 1985, he faced little difficulty with a classic consolidation of power if he only wanted a policy of moderate reform. The country had experienced ten years of failing leaders, and the office of general secretary had acquired a legitimacy that it did not have when Lenin and Stalin died. (Two years after Stalin's death, Khrushchev had to go to the Geneva conference as a member of a delegation headed by the chairman of the Council of Ministers, but eight months after Konstantin Chernenko's death, Mikhail Gorbachev headed the delegation to the Geneva conference as unquestioned leader.) When Gorbachev was selected as a young and vigorous general secretary in a time of troubles, the other leaders knew that they were giving a mandate to a leader who would be hard to control, let alone remove.

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But Gorbachev wanted more than moderate reform. In the last months of Chernenko's life, Gorbachev gave a speech that "seemed to be calling for a transformation of the nation as radical as the one wrought by Stalin in the brutal industrialization drive of the 1930s."[10] As he assumed power, Gorbachev reaffirmed his general intentions (for example, he told the editors of *Time* that he had a "grandiose" domestic program), and his rhetoric became progressively more radical.

Gorbachev knew that if he intended major privatization of the economy, a reintegration of Russia into the world economy (with the drastic change in information policy implied), and a large decrease in military spending, then conservative resistance would be strong. More important, such a program was certain to create real problems in maintaining popular support. Movement toward market prices had produced demonstrations and the Solidarity trade union in Poland; a looser information policy was certain to permit the grievances of the intelligentsia and non-Russians to be more fully expressed; the variety of changes in ideology that his planned reforms required would undercut the old bases of legitimacy leaving an alternative not much different from Western social democracy.

Gorbachev had another, more subtle problem. He himself must have had a solid understanding of the explosiveness of the situation in the non-Russian republics: he had full access to KGB reports; his closest colleague on the Politburo was a Georgian, Eduard Shevardnadze; he had selected as his chief adviser a man with a deep suspicion both of Russian and non-Russian nationalism, Aleksandr Yakovlev. Yet, many Russians really seemed to believe the propaganda about brotherly relations and the successful solution of the nationality problem. Even now many of them are acknowledging (in private) how naïve they were and how shocked they have been by the strength of the national feeling. At a conference in Bashkiria in the southern Urals, I. I. Antonovich, deputy rector of the Central Committee's Academy of Social Sciences, claimed that the party as a whole was surprised:

> It is necessary to say that we did not think that perestroika would provoke such a total aggravation of national relations through the whole coun-

[10] Serge Schmemann, "The Emergence of Gorbachev," *The New York Times Magazine*, March 3, 1985, p. 45.

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try. . . . The party did not feel the national bitterness that had built up in the people. The sharp reaction was unexpected.[11]

At the conference, Antonovich was accused of exaggerating the degree of aggravation. Surely the leadership at least was more sophisticated than he suggested. Long before Brezhnev's death, Fedor Burlatsky, head of the Soviet Human Rights Commission, reported privately that the first thing that the top circles considered in any policy decision was the impact on relations among the republics. But if the chief deterrent to demonstrations among the Russians supporting full democracy is their fear of a breakup of the union, then by the same token this deterrent would not be very effective if the mass of Russians thought there was no danger to the union.

Gorbachev has followed a very sophisticated political strategy. Without question, he has followed a classic program of consolidating power within the party, and he has removed old officials much faster than any other general secretary in history. He has been quite sensitive to the potential power of the Central Committee to remove him. Not only did he postpone radical policy change until after the 27th Party Congress in 1986 replaced the Central Committee elected in 1981, he even persuaded one-quarter of the voting members of the 1986 Central Committee to resign "voluntarily" three years later. And by making himself chairman of the Supreme Soviet, removable only in open session by a Congress of People's Deputies that is more liberal than the Central Committee, he has made it virtually impossible for the conservatives in the Central Committee to remove him without a test of strength in the streets.

In addition, Gorbachev has often expressed his conscious sense that he is conducting a revolution, and he seems to accept the old idea that revolutions are like omelets and cannot be made without cracking eggs. Many speak about a neat and careful economic reform, but with everyone having something to gain and something to lose from reform, an orderly politics would feature everyone focusing on the preservation of their old privileges.

As a consequence, Gorbachev has acted as if he needed to develop conditions of controlled chaos, in which people feel

[11] *Sovetskaia Bashkiriia*, Apr. 11, 1989, p. 2.

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that the status quo is intolerable and that Gorbachev's proposals are the only alternative. A frightening reform must be made to seem less frightening than a continuation of present conditions. Gorbachev has wanted the Russian people to be acutely aware of the depth of national feeling among non-Russians, and has used economic reform in the republics as the driving force for his perestroika throughout the union, for a number of reasons—including the need to make price reform indispensable to the achievement of equity among the republics. The subjective feeling among Moscow intellectuals is that the nationality problem is dangerous; this is precisely the result Gorbachev has been seeking to create.

We should not be fooled. Gorbachev is not taking enormous risks when he addresses the population. He has placed himself very comfortably in the center. He understands—as we must—that he is dealing with a Russian population that desperately wants more freedom and greater integration into the West, but that is still several decades from accepting the possibility of a breakup of the country. He understands—as we must—that the non-Russians are too divided among themselves to be a serious threat, especially when they can obtain three-fourths of a loaf (greater autonomy) if they do not destroy it by demanding too much. The Baltic peoples are very few in number, and they have been given special freedom to agitate because they would be so easy to suppress. The non-Russian Slavic peoples, the Byelorussians and the Ukrainians, are potentially a larger problem, but the apparent decision to grant ultimate independence to Poland reminds them—and the Lithuanians—that they may need Russian protection in the future for land that was ceded to them in the Stalin-Hitler agreements.

Gorbachev's policy of controlled chaos is not simply directed at strengthening his political control for the sake of power. It is to maintain his control while he transforms Russia. That latter task has had some fairly precise timetables. On the one hand, Gorbachev could not really begin radical reform until March 1986, when the Central Committee was replaced. Given the lead times in the economic planning process, this meant that reforms could not be introduced until January 1987 and really take effect by January 1988. On the other hand, as the economist Leonid Abalkin has been emphasizing, the basic reform needs to be in place at the beginning of the 1991–96 Five Year Plan, lest the new plan lock the old system of

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planning and supply procurement in place.[12] Again, given lead times, this means that basic decisions must be made by the start of 1990 and that implementing decisions must be made during the year. It is, therefore, not at all accidental that 1989 was the year for Premier Ryzhkov to undergo "rectification," nor that this was the year when the question of regional economic autonomy would come to the fore (in order to put the question of price reform on the agenda).

The course of perestroika will not be smooth or neat, just as, for example, Italy's path to economic success has often seemed rocky, if not impossible. But Italy looks very different in retrospect than it did through the rather stereotyped perceptions of the not-so-distant times. The next generation will look back on 1989–90 not as a period of turmoil so much as the years of a great breakthrough.

VI

If Gorbachev has a successful strategy to transform the Soviet Union, and if Soviet social forces will support evolutionary integration of Russia into Europe, then clearly it is not only the cold war that has ended, but the entire postwar period. We in the West would like a détente that ends the cold war, but deep in our hearts would like the predictable postwar period to continue. That is one reason we try to convince ourselves that Gorbachev is not for real.

But Gorbachev is for real, and the postwar period is over. Gorbachev's catchphrase "common European home" points in the right direction, if it is understood correctly. In the early years of the Gorbachev period, the question was: "Does Gorbachev want to split Western Europe and the United States?" In fact, Gorbachev has never had such an aim, but rather has had a conception of Europe that extends from Vladivostok westward all the way across Eurasia, the Atlantic and North America to California. He has not wanted to split the United States and Western Europe, because he senses that the superpowers of the future lie on his border, and that they contain a billion people and more: he wants his country to be part of a European community that also has a billion people. When the head of the Soviet General Staff, General Mikhail Moiseev, recently spoke fervently on an American television news program about the reestablishment of the wartime alli-

[12] Abalkin, in *Kommunist*, April 1989, pp. 10–19.

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ance, his point was not merely propagandistic.[13]

For Western governments, the real question has been whether Gorbachev is utterly dependent on U.S. support to achieve his domestic policy aims, or whether he is willing to take risks in Eastern Europe—and ultimately even play the German card—to accomplish his goals in the face of American resistance or skepticism. Those who have been startled by his unilateral reduction of troops in Europe and by his restraint in Poland and Hungary should ask themselves why he should stop now. The time has come for the United States, Western Europe and the Soviet Union to begin to cooperate actively in order to achieve a productive and stable transition to a "Europe" that includes all three, and a world that will look very different than it did in the postwar period.

[13] "60 Minutes," CBS News, Sept. 17, 1989.

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Joseph S. Nye, Jr.

ARMS CONTROL AFTER THE COLD WAR

For the past 30 years, arms control has been central to the U.S.-Soviet relationship. Now, if the cold war is over, what will be the role of arms control? On the one hand, the relaxed political climate improves the prospects for reaching and ratifying agreements. On the other, improved U.S.-Soviet relations also reduce anxiety about nuclear weapons and urgency about arms control initiatives. Polls show that Americans are now more worried about the state of the U.S. economy and drugs than about the Soviet Union and threat of nuclear weapons.

Geopolitical analysts warn about the diffusion of power in world politics; the spread of chemical and ballistic missile technologies to some 20 nations in the next decade will pose a new type of security threat. Some critics assail the Bush Administration for moving too slowly on the traditional bipolar strategic arms control agenda; others call for giving a higher priority to proliferation and multilateral measures. Still others continue to warn that all arms control agreements are a snare and a delusion. The new twist for the time ahead is that the United States and the Soviet Union, though remaining antagonists on the traditional agenda, will find themselves to be partners in some of the emerging problems of arms control.

II

The 1980s began with a sharp debate about the merits of arms control. Many officials in the Reagan Administration contended that arms control was more of a problem than a solution; it lulled public opinion in Western democracies into accepting Soviet strategic superiority. While the pressure of public opinion brought the administration back to arms control negotiations within its first year, little was accomplished until 1986. Then, in its last two years, the Reagan Administration signed an Intermediate-range Nuclear Forces (INF) agree-

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ment, causing consternation among many of the president's most ardent supporters. In addition, the administration made substantial progress toward a treaty in the Strategic Arms Reduction Talks (START).

Some conservatives were outraged by Ronald Reagan's new views: Howard Phillips called him a speech-reader for appeasers.[1] But other conservatives base their skepticism on a more general critique of arms control. Irving Kristol, for example, has recently reiterated his charge that arms control agreements do not lead to enduring settlements of conflicts but instead

> tend to be slow, tedious and conducted in an atmosphere of skepticism and suspicion. As a result, agreements are likely to have limited scope. Moreover, technological innovations in weaponry, to say nothing of changes in national leadership, will always make an arms control treaty vulnerable to conflicting interpretations or outright indifference.[2]

Some aspects of this case against arms control have merit. Weapons are symptoms rather than basic causes of hostility. The legalistic approach to seeking compliance with treaties can lead to disproportionate responses in a period of extreme distrust. Arms control negotiations may sometimes slow the process of change. For example, over the past decade NATO has reduced short-range nuclear weapons based in the front lines of Europe. It is quite plausible that efforts to negotiate these reductions in the context of formal arms control agreements would have hindered this stabilizing change. Similarly, some Soviets say that Mikhail Gorbachev announced a unilateral reduction of conventional forces in 1988 at the United Nations rather than at the bargaining table for fear that negotiations would slow the process.

Even some of the founding fathers of modern arms control, such as Thomas Schelling, have expressed skepticism about too much reliance on formal agreements.[3] Many strategists believe that types of weapons, their vulnerability and their susceptibility to central control are more important than their numbers. Reductions are not good per se, but must be judged in light of these characteristics. At low numbers, deceptive

[1] Quoted in "The Treaty: Another Sellout," *The New York Times*, Dec. 11, 1987.
[2] Irving Kristol, "Forget Arms Control," *The New York Times*, Sept. 12, 1989.
[3] Thomas Schelling, "What Went Wrong With Arms Control?" *Foreign Affairs*, Winter 1985/86.

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practices, hidden weapons and breakouts from treaty constraints could have a greater impact on security than at higher levels. However, given the high levels of existing arsenals, reductions would have to be much deeper than currently foreseen before such factors become a serious security problem.

A careful study of the U.S.-Soviet arms control record in the pre-Gorbachev era concluded that critics' fears that arms control agreements would lull the public and weaken the defenses of democracies have not been borne out. On the other hand, the hopes of proponents that arms control would save money and lead to dramatic reductions were not borne out either.

> What emerges above all is the modesty of what arms control has wrought. Expectations, for better or worse, for the most part have not been realized. The stridency of the debate, however, provides little clue to this modest reality. . . . If the history reveals anything, it is that arms control has proven neither as promising as some had hoped nor as dangerous as others had feared.[4]

In the past three decades, arms control agreements were concluded only when neither side had an appreciable advantage; agreements were not reached when either side had a strong preference for development of a new weapon. Based on this modest record, critics argue that arms control contributes little to international stability.

Critics, however, miss the point: arms control is part of a political process. Too often the experts judge arms control proposals on their technical details rather than on their political significance. For example, the INF agreement was militarily insignificant. In fact one could argue that, in terms of stability, by first removing longer-range nuclear missiles from Europe rather than starting with the short-range artillery, the INF agreement seized the wrong end of the stick concerning command and control of weapons during crises. But the political significance of the INF agreement—the improvement in the U.S.-Soviet relationship in the second half of the Reagan Administration—far outweighed the technical problems related to the details of military doctrine.

Arms control reassures the publics in Western democracies.

[4] Albert Carnesale and Richard Haass, eds., *Superpower Arms Control: Setting the Record Straight*, Cambridge: Ballinger Books, 1987, p. 355.

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The process is an inevitable and important part of the political bargaining over defense budgets and modernization. Whatever the strategists may say, the public cares about reductions in numbers because it is difficult to grasp other measurements or present them in clear political terms. Numbers matter because they are a readily perceived index. Since a major benefit of arms control is domestic political reassurance, general ceilings or reductions can make important contributions to security and force planning even if the number of weapons alone is a poor measure of the risk of nuclear war.

Arms control also provides reassurances to adversaries. In a sense, all of arms control is a confidence- and security-building measure. By increasing transparency and communication among adversaries, worst case analyses are limited and security dilemmas are alleviated. It may be that the most important aspects of the two Strategic Arms Limitation Talks (SALT) agreements were the provisions on open skies for satellite reconnaissance, the agreed counting rules for various types of weapons and the establishment of a Standing Consultative Commission to discuss alleged violations and misunderstandings. In that sense, informal operational arms control and formally negotiated reductions are not exclusive alternatives; they can complement one another.

The agreements on incidents at sea, crisis centers, confidence- and security-building measures in Europe and the recent agreement on the Prevention of Dangerous Military Activities have been scorned by some experts as the "junk food" of arms control. But the classical distinctions between reductions in arms and measures to build confidence and security have begun to blur. Both structural and operational arms control are parts of a larger process of political reassurance among adversaries.

Skeptics might reply that despite the past political role of arms control, the current climate of U.S.-Soviet relations makes further arms control unnecessary because the public and the Soviets no longer need such reassurance in the Gorbachev era. But such a reply fails to understand the institutional role of arms control agreements. As arms control agreements become accepted, political leaders and bureaucratic planners on both sides are less likely to base their strategy upon far-fetched worst case scenarios. Arms control and defense plans tend to reinforce each other. Despite its rhetoric in the early 1980s, the Reagan Administration was

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better off staying within the framework of the two SALT agreements because they constrained the Soviets and there was little that the United States could build in the short run. To take a different example, in November 1983 the Soviets walked out of INF negotiations with the United States to protest new NATO deployments, yet they still continued to meet with the United States to discuss nonproliferation via institutions that had been established when relations were easier.[5]

In the 1950s the early theorists of modern arms control aimed to reduce the risk and damage of war and save resources. Since those goals are not very different from the objectives of defense policy, it is natural for defense and arms control measures to interact as complementary means to the same ends. As a pattern of reciprocity develops, both sides begin to redefine their interests. Even in the pre-Gorbachev era, as dour a figure as Andrei Gromyko reportedly lobbied to include rising young Soviet officers in SALT delegations on the grounds that "the more contact they have with the Americans, the easier it will be to turn our soldiers into something more than just martinets."[6]

The opportunities presented by the current political climate and the possibility of a return to cold war relations reinforce the argument for reaching good agreements now: their institutional effects will linger and ameliorate our security problems if relations deteriorate in the future between the United States and the Soviet Union. While Gorbachev's glasnost may have increased transparency and communications beyond the arms control process, both formal reductions (such as the asymmetrical reductions in conventional forces in Europe) and informal agreements that provide access to information (such as exchanges among military officers and visits to Soviet facilities) can help lock in gains for Western security.

Skeptics also neglect a further political role of arms control: the establishment of international security regimes. By treating the military relations among states as a problem of common security, arms control agreements help legitimize some activities and discourage others. These international regimes cannot be kept in separate watertight compartments. For example, the long-term management of nuclear proliferation

[5] See Alexander George, Philip Farley and Alexander Dallin, eds., *U.S.-Soviet Security Cooperation: Achievements, Failures, Lessons*, New York: Oxford University Press, 1988.
[6] Arkady Shevchenko, *Breaking with Moscow*, New York: Ballantine, 1985, p. 270.

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would be impossible in the context of a totally unconstrained U.S.-Soviet nuclear arms race. Similarly, it is difficult to imagine the United States and Soviet Union managing the diffusion of chemical and biological weapons technology if these two countries were engaged in unconstrained developments in those fields.

Skeptics point out that most states develop nuclear and chemical weapons because of security problems with their neighbors, not because the United States or the Soviet Union promise to disarm. This argument is largely correct. The existence of Article Six of the Nonproliferation Treaty (NPT), in which the superpowers promise to reduce their arsenals, did not deter Pakistan, South Africa or Israel in their nuclear policies. On the other hand, a renewal of the NPT in 1995 will be harder if it must take place in the context of a sharp U.S.-Soviet nuclear arms competition. As one looks further down the road and contemplates the diffusion of destructive power and technology to poor countries and transnational groups, bilateral U.S.-Soviet arms control cannot be divorced from the multilateral arms control problem. On the contrary, the management of international security in the future is likely to require more, not less, attention to the political role of arms control.

III

If measured in terms of numbers of strategic warheads, Soviet missile accuracy and the vulnerability of U.S. intercontinental ballistic missiles (ICBMs), the strategic balance actually worsened during the Reagan years. So why the striking changes in the American arms control policy in the 1980s? Reagan's military budgets, his rhetoric about the Strategic Defense Initiative and the INF deployment in Europe all played a role, but the primary answer is Mikhail Gorbachev. Immediately after coming to power in 1985, Gorbachev altered the Soviet stance in strategic talks by conceding the validity of U.S. concerns about the vulnerability of fixed land-based missiles. In 1986, he permitted intrusive on-site inspections related to confidence- and security-building measures in Europe. In 1987 Gorbachev agreed to an INF agreement largely on Western terms, and in December 1988 he announced unilateral cuts in Soviet conventional forces. Most recently in 1989 he proposed deep asymmetrical cuts in conventional forces in Europe.

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Behind President Gorbachev's various proposals, however, lies a deeper Soviet problem. Ironically, at about the same time that Reagan and Defense Secretary Caspar Weinberger were declaring the Soviets to be in a superior position, a younger generation of Soviet economists and officials began to realize the seriousness of their country's economic problems. With a five percent economic growth rate in the 1960s, the Soviet Union was able to finance Leonid Brezhnev's massive nuclear and conventional force buildup. But real Soviet economic growth slackened and in the early 1980s dropped to zero, according to Abel Aganbegyan, one of Gorbachev's economic advisers. The large military expenditures were one cause, and they began to bite.

In addition, the Soviet Union's overly centralized economic system was having difficulty coping with the third Industrial Revolution, i.e., the creation of an information-based economy by the application of computers and telecommunications. By their own accounts, the Soviets lagged ten years behind the West in computer technology, and according to Soviet economist Nikolai Shmelyev, only eight percent of Soviet industry met world standards.[7] These conditions and failures in Soviet foreign policy compelled Gorbachev's ambitious reform program of economic restructuring, domestic liberalization and new thinking in foreign policy.

The new thinking has downgraded the concept of class struggle as the basis for all international affairs and has stressed universal human values; in military affairs, it has introduced the standard of "reasonable sufficiency" of forces in place of superiority or parity. Arms control has become a central concept in Gorbachev's approach to international affairs and helped him to justify reductions in the secrecy that previously cloaked all military matters in the Soviet Union. Adopting the slogan "common security" has allowed much greater transparency in Soviet military activities. The evolution of Soviet arms control proposals reflects and reinforces these new dimensions of Soviet thinking.

Ironically, the Gorbachev phenomenon has had two contrary effects on arms control. The new Soviet attitudes and proposals make arms control easier, but they also reduce the public sense of urgency about strategic arms. Gorbachev has

[7] Quoted in the author's book *Bound to Lead: The Changing Nature of American Power*, New York: Basic Books, (forthcoming), Chapter 4.

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moved a long distance in the direction of the West, but issues of verification and trust have also become somewhat easier to handle in the current climate. The Soviet Union has become more open, even permitting Western delegations to visit and photograph sites at close hand, which Americans had previously photographed only from many miles away in space.

The diminished sense of threat may ease some of the deep dilemmas of verification. Verification issues played a modest part in the arms control debates of the 1960s and early 1970s, but they dominated the American arms control debate in the late 1970s and the 1980s. The political demands for verification began to outstrip what was technically feasible. Many things that the United States could monitor quite adequately for intelligence purposes were not absolutely verifiable. Single instances of alleged violations were used to attack broader Soviet intentions. Ambiguous events and minor transgressions of formal treaties were blown out of proportion; the politics of verification became more stringent than the politics of military security. But in the era of glasnost, although the verification requirements remain formidable, distrust is somewhat eased.

In the early 1980s, when the Western publics feared a considerable likelihood of stumbling into nuclear war, rallies for a nuclear arms freeze filled the streets and public parks. Arms control seemed an urgent part of the process of avoiding nuclear war. Now, however, that sense of urgency has diminished with the shift in Soviet rhetoric and behavior. By lowering the sense of threat among the Western publics, Gorbachev unintentionally reduced public pressure for rapid progress in arms control. This permissive climate may help explain the slow progress on START at the beginning of the Bush Administration.

When Reagan left office, the broad outlines of a START agreement were discernible. Within a limit of 6,000 accountable weapons on 1,600 delivery vehicles, no more than 4,900 could be deployed on ballistic missiles. The Soviets would halve the number of their heavy ICBMs and thus their overall missile throwweight. In addition, all the bombs (although not the air-launched cruise missiles) that could be carried by a bomber would count as one weapon. This undercounting of bombs meant that the overall U.S. strategic nuclear arsenal would be cut by some 30 percent—to 8,000–9,000 weapons—while the Soviet arsenal would be cut by nearly 40 percent—to 7,000–8,000 weapons.

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Three large issues remained: (1) how to deal with mobile missiles; (2) whether to follow a strict interpretation of the Antiballistic Missile (ABM) Treaty of 1972; (3) and how to verify limits on sea-launched cruise missiles. The eleventh round of START negotiations in the summer of 1989 made little progress on these issues, but when Foreign Minister Eduard Shevardnadze and Secretary of State James Baker met in September at Jackson Hole, Wyoming, the Soviets suggested a way to finesse two of them.

They dropped their demand for a guarantee that the United States would not withdraw from the ABM treaty, but reserved their right to withdraw from any new START agreement limiting offensive weapons if the United States violated the terms of the ABM treaty "as signed." They also offered to dismantle the large radar under construction at Krasnoyarsk, which Shevardnadze now publicly concedes was an open violation of the ABM treaty. On sea-launched cruise missiles, the Soviets offered to move the issue outside of START if the United States would include it in broader discussions on naval arms control. In turn, the United States dropped its demand for a ban on all mobile missiles, which would have required the Soviets to destroy their SS-24 and SS-25 ICBMs, the equivalents of U.S. proposed rail-mobile and road-mobile missiles. (In any case, the really tough negotiations on this issue are not with the Soviets but rather within the administration, and between the administration and Congress.)

Progress was also made on verification measures and after the Jackson Hole meeting, President Bush declared "a good likelihood" of a START agreement being ready to sign at a summit in Washington in 1990. Baker and Shevardnadze also announced progress on procedures for verification of nuclear tests, of chemical weapons stockpile reductions and on which aircraft were to be included in an agreement on conventional forces in Europe.

Without seeking any direct linkage between the negotiations, the administration had earlier been happy to see priorities shift from strategic negotiations to conventional force talks (CFE) in Europe. The administration had been slow to respond to the dramatic new proposals Shevardnadze put on the table in Vienna in March 1989, but the action quickened after Chancellor Helmut Kohl, responding to German domestic politics, sought arms control negotiations related to the short-range nuclear forces on German territory. The ensuing

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NATO crisis led to a spurt of creative energy in the Bush Administration in May, resulting in the president's proposal to negotiate cuts in the conventional forces in Europe by 30 percent within a year. Difficulties in defining boundaries, zones and types of aircraft remain, but many observers are optimistic about the outcome.

Behind both negotiations, however, lurks uncertainty about the future of Gorbachev and his reforms. Skeptics in the Defense Department and elsewhere in the administration argue that the United States should not let down its guard. They point to the reversal of Khrushchev's reforms two decades ago and warn that Gorbachev's reforms are similarly reversible. They urge an attitude of "wait and see." Others argue that the possibility of reversal makes it all the more urgent to seize this opportunity to reach favorable agreements in an approach that can be characterized as "locking in gains." On balance, however, uncertainties about the permanence of the Gorbachev phenomenon tend to slow progress in arms control.

IV

While debate continues on a prudent response in the bilateral relationship, other analysts argue for more attention to a different aspect of the current era, the diffusion of power in world politics. So long as an intense superpower hostility blanketed world politics, the gradual diffusion of power in world politics was not readily noticeable. With the diminished Soviet threat in the Gorbachev era and Soviet withdrawal from some of its Third World positions, other changes in the nature of world politics have become more visible.

Some, such as Yale historian Paul Kennedy, portray such changes as a decline of American hegemony, but the concept of decline is a misleading way to portray the situation.[8] The United States is not in decline in relation to such powers as the Soviet Union, the European Community or China. Nor is it accurate to refer to the emerging situation as "multipolar," if that means returning to a balance among a number of nations with roughly equal power resources, analogous to the period before 1945.

[8] Paul M. Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000*, New York: Random House, 1987. This section draws upon Chapter 6 of the author's *Bound to Lead*.

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The word "polycentrism" comes closer to describing the current diffusion of power. As world politics becomes more complex, all major states are less able to achieve their purposes. Although the United States has leverage over particular countries, it has far less leverage over the complex system as a whole. But it is not alone in this situation. All great powers today are less able to use traditional power resources to achieve their purposes because private actors and smaller states have become more important in many issues.

While several trends contributing to the diffusion of power are economic, at least three are related to the use of force. One trend is the process of modernization in developing countries. Increased social awareness and nationalism make military intervention and external rule more costly. In 1953 the United States restored the shah of Iran to his throne with a minor covert action. It is hard to imagine, however, how many troops would have been needed to restore the shah in the socially mobilized and nationalistic Iran of 1979. Similarly, the defeats of the United States in Vietnam and of the Soviet Union in Afghanistan were less the result of the increased power of a weak state than the increased cost for outsiders of ruling socially mobilized and nationalistic populations.

Another trend in the diffusion of power is the spread of technology, which enhances the capabilities of less developed states. While the superpowers maintain a large lead in military technology, the forces that many Third World states will be able to deploy in the 1990s will make regional superpower intervention more costly than it was in the 1950s. In addition, at least a dozen Third World states have developed a significant capability to export arms, and more countries are acquiring sophisticated weapons capabilities. Twenty countries could now make chemical weapons and 15 Third World nations could be producing their own ballistic missiles in the 1990s. In addition to the five states that had the bomb when the NPT was signed in 1968, India, Pakistan, Israel and South Africa now have a nuclear capability and others may follow. Although a small nuclear capability does not make these states contenders for global power, it does increase the potential cost of regional intervention by larger powers. Technology also enhances the power of private groups. For instance, handheld antiaircraft missiles helped guerrillas in Afghanistan and new plastic explosives are effective tools for terrorists.

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Finally, the changing nature of the issues in world politics is diminishing the ability of great powers to control their environment. An increasing number of issues do not simply pit one state against another; in some issues, all states try to control private, transnational non-state actors. The solutions to many issues of transnational interdependence will require collective action and cooperation among states. Areas for global action include ecological changes such as acid rain and global warming, health epidemics such as AIDS, and illicit trade in drugs and control of terrorists. While force may sometimes play a role, traditional instruments of power are rarely sufficient in dealing with such issues. New power resources, such as effective communication and use of multilateral institutions, may prove more relevant.

Moreover, the superpowers will need the cooperation of small weak states, which often cannot manage their own problems alone. For example, it may do no good for the United States to use its military or economic power resources to press Colombia to curtail the production of cocaine if a weak Colombian government cannot control private gangs of drug dealers. Such situations give rise to the "power of the weak." The ability of the great powers to control their environment and get what they want in the 1990s is likely to be less than traditional indicators of military power would suggest.

Some political scientists have gone so far as to argue that war has become obsolete and will follow the practices of dueling, slavery and colonialism in history.[9] An alternative view is that the increased cost of using military force will restrict large countries more than small countries, and that the net effect will be an erosion of the traditional hierarchy of world politics. War remains prevalent in the poor areas of the globe. The Middle East, for instance, resembles more the classic security dilemma described by Thucydides than the modern transnational interdependence that exists among developed countries.[10] And private transnational terrorist groups readily use force and have increasing capacity to do so.

[9] John Mueller, *Retreat from Doomsday: The Obsolescence of Major War*, New York: Basic Books, 1988.

[10] In the fifth century B.C., "the Spartans proposed that not only should Athens refrain from building her own fortifications, but that she should join them in pulling down all the fortifications which still existed." Thucydides reported that while the Athenians sent a delegate to negotiate with Sparta, they simultaneously "built their fortifications high enough to be able to be defended." *The Peloponnesian War*, New York: Penguin Books, 1972, p. 88.

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If this portrait of current trends is even partially correct, the bipolar focus of the past will not be sufficient. Americans will need to think more broadly about the role of arms control in world politics. In fact, on many of these issues, the United States and the Soviet Union will find themselves on the same side.

V

Concern over the proliferation of technology is not new. The NPT has been in force for two decades, and in 1995 the majority of the states party to the treaty must vote on extending its duration. What is new, however, are the interactions between nuclear, chemical, biological and ballistic missile technology, the increase in the number of states involved and the new threats posed for national security. A critical question is what role the arms control process can play in coping with these new threats.

Technology spreads with time, and many technologies of mass destruction have a long duration. Modern chemical weaponry, for example, is a 75-year-old technology. Nuclear technology is now half-a-century old and intercontinental ballistic missiles have been with us for some three decades. Nonetheless, one should not be fatalistic about the spread of technology. Policy can make a difference in the rate and conditions under which it spreads. For example, in 1963 President Kennedy foresaw a world in the 1970s with some 25 nuclear states; today the number is only a third of what he predicted.[11]

In a world in which self-defense is a recognized right of states, it is remarkable that some 140 states have signed a treaty by which they deny themselves access to the most destructive weaponry. The broad nonproliferation regime—the NPT, the International Atomic Energy Agency (IAEA), the nuclear suppliers' guidelines and various bilateral agreements—has not solved the problem of nuclear proliferation but it has alleviated it by placing added burdens on the proliferator. Clever bureaucrats and military officers find obstacles in their way. Political leaders must face the fact that developing nuclear weaponry may have too great a political cost. While some countries have not adhered to the treaty, the regime has so far

[11] John Kennedy quoted in Albert Carnesale, *et al.*, *Living with Nuclear Weapons*, A Report by the Harvard Nuclear Study Group, Cambridge: Harvard University Press, 1983.

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constrained the problem of nuclear proliferation to a handful of problem countries.[12]

The very success of the nonproliferation regime, however, has driven potential proliferators underground into covert actions. The important new developments in nuclear proliferation are the existence of the four covert or de facto nuclear states—Israel, India, Pakistan and South Africa—and the prevalence of efforts to use clandestine facilities dedicated to military purposes rather than the misuse of commercial nuclear energy sources, the major problem in the 1970s.

This transformation of how nations "go nuclear" has made the monitoring of proliferation more difficult and raised concerns about the gradual erosion of the nuclear threshold. By the early 1970s, Israel and India became de facto nuclear powers in addition to the five designated in the NPT. In the 1980s, South Africa and Pakistan joined the "covert proliferators." Three more states may attain that status in the 1990s: Argentina, Brazil and North Korea. A North Korean nuclear weapon would enormously complicate the strategic situation in that region, as both South Korea and Japan might feel the pressure to reverse their current policies of restraint and develop their latent nuclear capabilities.

In addition, secondary nuclear suppliers such as Argentina, Brazil and India may make controlling nuclear exports more difficult in the future. In the past, once a nation developed a nuclear weapon, it soon realized the value of denying others the same capability—but before that realization, it often made mistakes. For example, France helped Israel, and the Soviet Union helped China who in turn helped Pakistan.

In a complicated world of covert proliferation, the danger of mistakes grows. Since many of the states acquiring new nuclear capabilities lack the political and technological capacity to control nuclear weaponry, the risk of leakages to terrorist groups or of unauthorized use during political turmoil will also increase.

The question of chemical weapons proliferation differs from nuclear proliferation in several ways. First, there are more countries—20 is a frequently cited number—suspected of having or trying to develop chemical weapons. In addition,

[12] The following discussion of proliferation is based on the discussions of the Aspen Strategy Group summer meeting. See Bobby R. Inman, Joseph S. Nye, Jr., William Perry and Roger Smith, *Responding to the Proliferation of Nuclear, Chemical, and Ballistic Missile Capabilities*, New York: University Press of America, (forthcoming).

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the technology is relatively simple and it lacks the difficulties of control and monitoring associated with radiation. The dual uses of chemical technologies for fertilizers, pesticides and herbicides as well as weapons is even closer than the overlap between commercial and military nuclear facilities.[13] Thus far, the proliferation of chemical weaponry has not seriously infected Latin America or Africa, but in the Middle East and Southeast Asia it has involved some of the world's poorest countries. In that sense, the aphorism that chemical weaponry is the poor country's atom bomb has some justification. What is more, in the Middle East the taboo against use of chemical weapons has been broken in the Iran-Iraq War; Iraq even used chemicals against its own Kurdish population.

After World War I, the 1925 Geneva Protocol prohibited the first use of chemical weapons but permitted their production and stockpiling. The Geneva Protocol remains the principal international constraint, although it has been supplemented in recent years by an informal institution, the "Australia group." Nineteen chemical suppliers met under Australian auspices in 1985 to discuss tougher export controls on chemicals that are precursors to the manufacture of weapons. The group has agreed to require formal licenses on eight specific chemicals and has a warning list for 30 more in hopes that industry will voluntarily alert national governments to any suspicious foreign interest in those substances.

In addition, since 1980, the U.N. Conference on Disarmament has been engaged in negotiations on a chemical weapons convention (CWC) that would place a complete and total ban on chemical weapons in all states. The ban would prohibit the production or stockpiling of chemical weapons and would require the destruction of all existing chemical weapons stocks.

Verification remains the most difficult issue. A small chemical weapons plant could be hidden within a larger industrial infrastructure or built in a remote area. These verification problems might be addressed (though not fully solved) through ad hoc inspections of non-declared facilities. In addition, commercial chemicals that could be used in the manufacturing of weapons must be monitored at both the production and consumption end points. The burden of monitoring will fall upon a proposed international authority, which will send out

[13] Lewis Dunn, "Chemical Weapons Arms Control," *Survival*, May-June 1989, pp. 209–225.

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inspection teams. The cost of visiting all declared production and consumption facilities for the first ten years is projected to be in the range of $150 million to $300 million per year. In comparison, the IAEA spends only $25 million a year on its inspection of civilian nuclear plants.

The chemical weapons convention started out in the early 1980s with a strong emphasis on curtailing Soviet capabilities in Europe, but it has now evolved into a situation in which the U.S.-Soviet component seems less important than the proliferation dimension. In effect, it is now more of a nonproliferation instrument than a U.S.-Soviet bilateral arms control treaty.

Critics of the convention argue that the United States should not sign such a treaty because it would not be verifiable and universal.[14] These are the same classic arguments, now made in the context of the diffusion of power, that have often bedeviled arms control in the bilateral U.S.-Soviet relationship. They must be answered in terms of comparative risks—verification will not be perfect and membership will not be total. The question is whether the risks to American security are greater in the absence of any global ban on chemical weapons than with an admittedly imperfect treaty. A treaty provides a basis for stronger export control legislation among our allies and others who adhere to it. It would also help reinforce the norm against chemical weapons. In that sense, an imperfect CWC would have some of the same benefits and problems as the NPT.

Biological weapons are of slightly less immediate concern than chemical weapons. According to American government officials, there are about ten countries with current or developing capabilities to employ living organisms (such as anthrax, lassa fever or typhus, as opposed to inert toxins).[15] Biological weapons, however, have limited military utility since their dispersal mechanisms are difficult to manage; a change of wind can make them as lethal to the attacker as they are to the defender. Moreover, it is difficult to sustain the living organisms in biological weapons in hot climates for long periods. For these reasons, biological weapons are better suited for

[14] Amoretta Hoeber and Douglas Feith, "Poisoned Gas, Poisoned Treaties," *The New York Times*, Dec. 6, 1988; Frank Gaffney, "Chemical Warfare: Beware of Bush's Perilous Delusions," *The Wall Street Journal*, Oct. 3, 1989.

[15] Michael Gordon, "U.S. Seeks Curbs on Biological Weapons," *The New York Times*, July 27, 1989.

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mass destruction than as precise military instruments. This lack of military utility may have thus far slowed their development.

In addition, since 1972, a biological weapons convention has banned the use or possession of these weapons. Research continues, however, since the convention allows the development of antidotes against biological weaponry. Suspicions have arisen that the loopholes in the treaty have permitted some countries, including the Soviet Union, to develop more than a minimal weapons capability. Unlike the draft CWC, the biological weapons convention is a brief document without provisions for verification. Many experts believe that one of the key challenges in this area will be to develop a protocol outlining detailed procedures for verification.

The Iran-Iraq War put the problem of ballistic missile proliferation, as well as of chemical weapons, high on the agenda of security concerns. The war in the Persian Gulf highlighted the dangers posed by the spread of ballistic missiles. In addition China sold missiles with a range of 2,000 miles to Saudi Arabia in 1989, and Israel used an indigenously developed missile, the Jericho II, as a basis for a satellite-launching rocket. This, in turn, raised the possibility that Israel might soon have a theoretical capability to strike the region of Moscow with nuclear weapons. In 1989 India tested its Agni missile with a range of 1,500 miles.

Altogether, 14 less developed countries now possess ballistic missiles.[16] A dozen of them are also suspected of chemical weapon capabilities. Half of these countries' missiles have ranges under 200 miles and most rely on imported technical capability. Israel's and India's accomplishments in developing indigenous medium-range missile capability are thus far the exceptions rather than the rule. Many of the ballistic missiles in the Third World are derivatives of Soviet Frog 7s or Scud Bs with ranges of 40 to 90 miles. But a number of countries now have the expertise to modify and upgrade their imported missiles significantly. For example, Iraq has produced two upgraded versions of the Scud B, with ranges of 385 to 565 miles.

Looming ahead is the prospect that what has been done for range can also be done for accuracy. Until now, most of the

[16] These assessments are based on presentations to the Aspen Strategy Group by Albert Wheelon, Janne Nolan and Kent Kresa. See Inman, *et al.*, *op. cit.*

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short-range ballistic missiles in the Third World have been relatively inaccurate. The Scud-B has a circular error probability of about 1,000 yards at a range of 190 miles, thus restricting its use to large soft targets. By adapting the inertial navigational systems built for commercial and military aircraft, however, it may become possible to reduce the CEP to 40 yards at such ranges. With this accuracy, missiles would become a weapon against military targets capable of being effectively coupled with nuclear, chemical or high-explosive warheads.

Such capabilities would place American efforts at power projection under greater stress and they might jeopardize regional crisis stability. The capability to strike quickly and to overcome air defenses might add to the inherent pressure to preempt in moments of crisis. The erosion of crisis stability in regions such as the Middle East would make U.S. involvement more dangerous. Many of the nations with advanced ballistic missile programs are also interested in acquiring nuclear, chemical and biological weapons.

In 1987, a missile technology control regime was created by the United States, Britain, Canada, France, Germany, Italy and Japan. Like the NPT, the MTCR is an inherently discriminatory regime that divides states into two classes: those states with missiles with a range of at least 190 miles and a payload of at least 1,000 pounds, and those states without such missiles. However, unlike the Nonproliferation Treaty, the MTCR is not a treaty among 140 nations, but an export control understanding between the United States and its six allies. Moreover, there is no international organization to monitor missile-related exports, and each national government is expected to regulate its own exports. In some ways, the MTCR is akin to the 1978 nuclear suppliers' guidelines, similarly based on a list of sensitive items that require some form of export control.

In favor of the MTCR is the fact that missile technology is still quite complex. A modern missile requires thousands of precision-crafted moving parts that must function perfectly. Thus missile programs in the developing world are vulnerable to supplier disruption. The MTCR helped to slow down the Condor-II program, an Argentine missile that was being developed in concert with Egypt, Iraq and Saudi Arabia. On the other hand, the MTCR has three major problems. First, some member governments have applied export restrictions in a rather loose manner in order not to shut off profitable commercial deals. Second and more important, membership

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remains at just seven countries. As long as many states remain outside the MTCR, the importing countries will have access to a robust black market as well as to supplies from other governments.

A third problem related to MTCR effectiveness is the question of legitimacy. Unlike nuclear and chemical weaponry, there is no taboo against ballistic missiles. President Reagan argued that fast flyers are a greater threat to crisis stability than slow flyers, but this distinction has not been recognized in international politics. There is no moral stigma attached to ballistic missiles. This leaves open the question of how effective a regime will be if its membership remains sparse and the weapon it is trying to discourage is not generally perceived as illegitimate.

VI

What can be done about the diffusion of military power and the proliferation of the technologies of mass destruction?

The first step is to be realistic about goals. Stemming proliferation is only one aspect of foreign policy. There will always be trade-offs between efforts to slow the spread of dangerous technology and other foreign policy objectives—witness the vacillating U.S. performance in trying to slow Pakistan's nuclear weapons development in the 1980s, when Pakistan provided the critical supply route for American assistance to the Afghan resistance. Moreover, we have to think about what steps to take after technology has spread. Clichés about horses being out of the barn are misleading; it makes a difference how many horses remain in the barn and how quickly they are fleeing. Our goal should be to slow the rate of spread of dangerous technologies in order to better manage their destabilizing effects. With this goal we buy time, but we also need to use that time to seek political settlements. Multilateral arms control agreements will be an important part of the mix of policy instruments but they cannot stand alone.

In the area of nuclear nonproliferation, we need to deal with the covert proliferators without weakening our efforts to discourage further proliferation. The greatest danger to our security is that one of these covert proliferators may lose control of its nuclear weapons because of inadequate technical safeguards or domestic political turmoil. Once a nation can build nuclear weapons, we should try to persuade it to freeze or halt the level of its development, rather than proceeding to

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produce and even to deploy a large nuclear arsenal. While we may not be happy about countries that have bombs in their basements, a bomb in the basement is less dangerous than bombs spread all over the front lines where they are susceptible to military revolt, theft or leakage into terrorist hands.

We need to supplement our traditional support for the NPT, the IAEA and the nuclear suppliers' agreement, with regional efforts to encourage greater confidence among threatening neighbors. Inspection agreements and high-level visits between Indians and Pakistanis, for example, or between Argentines and Brazilians, could contribute to reducing the pressures for development of war-fighting arsenals in those regions. In the Middle East, on the other hand, it is hard to imagine effective arms control agreements without progress in the Middle East peace process. Moreover, progress in limiting chemical weapons in the region may also be linked with both the nuclear and general peace issues.

Halting or slowing chemical, biological and missile technology will also require the use of multiple instruments. Even an imperfect chemical weapons convention strengthens barriers against the possession and use of chemical weapons. It could reinforce export controls and legitimate the use of force in self-defense against chemical threats by reaffirming the stigma against chemical weapons. Finally, good intelligence collection and early warning will be an important part of the package of policy instruments. The official inspection scheme will complement rather than replace national intelligence efforts in this area. In the area of biological weaponry, negotiation of a protocol relating to verification would help to reinforce the existing stigma against biological weapons and would serve as a basis for the other instruments such as export controls, sanctions and intelligence.

In containing missile technology, the next step should be to broaden the acceptance of an export control regime. This may require renegotiation because of Soviet and Chinese concern about not being included in the early stages of the development of the current MTCR. Once again, however, the agreement must be developed in the context of other instruments, including intelligence collection.

In all of these issues related to the diffusion of power, U.S. and Soviet involvement will be quite different from their relationship in bilateral strategic arms control. The United States and the Soviet Union will be, in effect, on the same side

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of the table. In many cases, the United States may find it more difficult to agree with its allies than with the Soviets on cooperation and export controls. The United States, however, will have to consider the prospect of sharing more intelligence regarding chemical, nuclear and biological terrorism with the Soviets. And the degree of cooperation in coping with the diffusion of technology will vary with the ups and downs of the overall U.S.-Soviet political relationship. If the diffusion of power continues, it is all the more important for the two superpowers to use the current opportunity to construct multilateral regimes that remain useful even if the power of the founders wanes or the political climate between them changes.

VII

In the post cold war era, arms control may lead to major reductions in the forces of the superpowers. Even in this new era, however, military forces will still be needed because of the normal course of great power politics and because of the new diffusion of destructive power. Moreover, there is always the prospect that the changes in the Soviet Union could be reversed.

The United States can protect itself against reversal in three ways. First, it should seek those reductions that not only enhance U.S. security, but that take time for a new Soviet leadership to restore. Second, the United States should seek verification and inspection procedures that, if violated by a new Soviet leader, set off clear alarms. Third, it should seek procedures for informal visits and consultations that reinforce groups dedicated to glasnost in the Soviet political and military leadership. Thus, careful attention to detail is needed to make sure that dismantling the military edifices of the cold war does not create technical instabilities that would reduce or threaten U.S. security in the future. At the same time, technical details should not blind Americans to the larger political roles of arms control.

It has become fashionable to speak of the recent end of the cold war and even of the "end of history." When the cold war ended may well be a matter of semantics: strictly defined, as a period of intense hostility and little communication, it probably ended in the 1960s. The "little cold war" of the early 1980s was mostly rhetorical. More important is the fact that the cold war and the division of Europe produced four decades of relative stability, albeit at a high price for East Europeans.

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Rather than the end of history, we are now seeing the return of history in Europe with its ethnic tensions and the unsolved problem of Germany's role, which Bismarck put on the international agenda in 1870. The peaceful evolution of new arrangements in Europe will make reassurance more necessary than ever. Arms control can play a large part in that reassurance by reducing and restructuring force levels in the conventional arms negotiations and by establishing a variety of confidence-building measures in the Conference on Security and Cooperation in Europe. Negotiating gradual changes in the overall European security framework can help to alleviate the anxieties and overreactions that would otherwise derail economic evolution and integration of the continent.

The United States can use this period to accumulate security gains, banking them against a possible future downturn or reversal in U.S.-Soviet relations. Because the institutional effects of arms control tend to continue, an important goal now for the United States is to lock in the benefits of the Gorbachev era: force reductions in START and CFE, as well as verification and consultation procedures that build transparency and regularized communication. In turn, this broad process may help to reinforce the changing security concepts in the Soviet Union. Agreements create domestic effects there as well as in this country.

Finally, the current period of improved bilateral relations provides an important opportunity for the United States and the Soviet Union to work together with other countries to reinforce and establish regimes for dealing with the diffusion of power. Here too there are gains to be locked in. Such multilateral arms control regimes will have to be considered in a broader context of security. For example, the superpowers have already rediscovered the value of U.N. peacekeeping forces, itself a confidence- and security-building measure. They may also rediscover the wisdom of the early postwar architects of the U.N. Charter and particularly of the U.N. Security Council. In an era when the great powers are reducing their involvement in the Third World, other countries may develop greater interest in measures for the regional constraint of force. There are signs that some of the less developed countries have begun to understand that their traditional litany of complaints are somewhat beside the point. As one U.N. diplomat put it to me privately, "What are we going to do when we don't have the great powers to kick around any more?"

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There are several implications for U.S. policy about the new role of arms control in a post cold war period. The United States will have to pay more attention to the multilateral dimensions of arms control, and more attention to the relationship between bilateral and multilateral arms control. It will have to pay more attention to the relationship of arms control to regional political processes. And the United States will have to pay more attention to how arms control relates to other instruments and other goals in U.S. foreign policy.

Arms control will never provide all the answers to national security. In some cases, it might even do more harm than good. In all cases, it will have to be integrated with other dimensions of policy and other policy instruments. But the changing nature of world politics suggests both new roles and new importance for arms control. If an arms control process did not exist, we would assuredly have to invent it.

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Anne-Marie Burley

THE ONCE AND FUTURE GERMAN QUESTION

The inner-German border is the fault line of Europe. The current revival of speculation about "the German question" in any form, therefore, sends tremors throughout the postwar structure of East-West relations. Headlines ask "Could Germany Turn East?"[1] The turmoil in East Germany threatens the existence of a separate East German state. President Bush disclaims any "fear" of German reunification.

In short, the future of Germany has reemerged as an issue for both East and West. The premise is that "fundamental" German desires for nationhood have been long buried, or at least camouflaged, in an unavoidable concession to reality. But as the postwar order begins to loosen or even crumble, German longings for unity seem to spring forth undiminished.

In fact, however, the German question is rooted as much in foreign myth as in German reality. In clinging to fixed ideas about the political division or reunification of Germany, Western analysts and commentators miss the emergence of many far more vital and interesting opportunities and issues facing German leaders. It is time to take a new look at the German question—but from the inside out.

II

The key distinction is between the German question and the German problem. For the majority of Germans in the postwar period the common denominator of various versions of the German *question* has been how to bring the Germans back together. For the majority of their neighbors, however, the German *problem* has been how to keep them apart. Yet even inside the Federal Republic of Germany (F.R.G.), a precise definition of *die deutsche Frage* is hard to come by. West German politicians tend to use the phrase as a launching pad

[1] *The Washington Post*, May 7, 1989.

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for excursions into their own favorite political utopias. All agree on the vital importance of improving human rights and living conditions for citizens of the German Democratic Republic (G.D.R.), and most espouse the general principle of achieving some form of German unity within the framework of a European peace order. Yet these phrases and formulas mask three quite different conceptions of what the German question is really all about:

The traditionalist conception: the task of freeing the G.D.R. from the shackles of communism. This quest is in turn simply the latest phase of the Germans' centuries-long struggle to attain their "birthright" and form a nation-state. Traditionalists are generally found on the conservative end of the West German political spectrum—the right wing of the Christian Democratic Union (CDU), the Christian Social Union (CSU) and expellee/refugee organizations.

The Europeanist conception: how to reunite Europe so as to shift the two German states from the perimeter of the East and West blocs, respectively, to the center of a revived and increasingly important economic and political entity. The ultimate goal has much more to do with the restoration of German power and influence than with any abstract notion of German unity. This notion has been the dominant conception in West German politics in the 1980s—commanding a broad consensus from center-right to center-left. West German Foreign Minister Hans-Dietrich Genscher is its principal champion.

The universalist conception: a view of the German question as one that transcends any particular configuration of the two German states. The Germans can overcome and actually redeem their past by becoming a force for the promotion of universal values: peace, the preservation of the global environment, economic and social justice. Their historical experience and current position on the front line of a potential nuclear holocaust illuminate the dangers of nationalism and the inability of the nation-state to address the truly important issues of the day. This is still a nascent conception, emerging primarily thus far among left-wing Social Democratic Party (SPD) members and Greens.

These concepts provide terms of reference for decoding statements by individual West German politicians. They also function as lenses for viewing current events, including the crisis in East Germany. Reality, of course, is never as tidy as its

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academic reordering: many individuals and even party factions would subscribe to elements of more than one conception. Nevertheless, I hope to show how the assumptions that underlie each conception yield quite different answers to German policy questions in West-West relations, East-West relations and inner-German relations. Finally, the refugee crisis has posed a new, practical German question with critical urgency: how to achieve reform in the G.D.R.? Based on the analysis developed here, the answer is less likely to be reunification than the *renunciation* of German unity.

III

Traditionalists conceive the German question as one of how to liberate the Germans in the G.D.R. from communist rule and reunite them with their West German brethren. As a moral and political obligation, reunification enshrines an image of the G.D.R. as a sacrifice on the altar of communism and of the Federal Republic as only half a nation, needing to be made whole. As a legal commitment, reunification historically ensured that the lines of battle between East and West remained clear-cut. And as an element of contemporary German national identity, the quest for reunification links the postwar era with the nineteenth century, offering a psychological detour around unpleasant memories and reconnection with a perfectly legitimate quest for a German nation-state. Traditionalists do not deliberately attempt to deny or expunge the more immediate past, but simply view present realities from a more distant historical perspective.

It is important to understand what the traditionalists do *not* mean by reunification. They unequivocally renounce the use of force and reject the notion of actual restoration of the Reich. Although the traditionalists refuse to rule out territorial change, they do not insist on boundary changes as the sine qua non of German unity. What they do stress is the political reunification of the two German states, and on Western terms. In the words of the late CSU chairman Franz Josef Strauss, the right of the people in the G.D.R. to self-determination equals their right "to live in a liberally organized state of justice." This is political shorthand for bringing the G.D.R. into the Western fold. Above all, it equates the division of Germany with the oppression of the German people.

Traditionalists typically emphasize the juridical aspects of the German question—the absence of a formal peace settle-

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ment, and thus continuing Four Power responsibility for Germany as a whole—as indisputable and reassuring proof that the question of reunification remains open. These formulations pit the Three (Western) Powers against the Soviet Union within the geopolitical framework of the 1950s. They conjure up an image of the West closing ranks against the East, shifting attention away from why the map of central Europe was redrawn in the first place (German aggression) to why it has proved impossible to conclude a peace treaty (Soviet obduracy). At the same time, however, the emphasis on Three Power rights and responsibilities is a continuing reminder that West Germany is not fully sovereign. The underlying traditionalist image is of Germany as victim, leading equally to the contention that, while the Federal Republic lives up to its part of the bargain as a loyal ally, it is treated as less than a full and equal partner in return.

The traditionalist view of East-West relations rests on an unshakable conviction that the division of Germany is the most brutal and painful instance of the division of Europe—a casualty of a conflict between forces greater than any Hitler unleashed. To quote CDU-CSU parliamentary group chairman Alfred Dregger:

> Whoever would overcome the division of Germany and Europe must recognize the nature of this division: Germany and Europe are not on the one hand dominated by the Soviet Union and on the other by the United States, but rather divided into a free and an unfree part. . . . The Soviet Union refuses not only the Germans in the other part of our Fatherland, but also the Poles, the Czechs and the Slovaks, the Hungarians the right to choose their future for themselves.[2]

This position projects the victim mentality onto a larger screen. Dregger once again sums it up: "Germany is divided because Europe is divided, and Europe is divided because Germany is divided." Translation: Soviet insistence on carving out its own bloc divided Europe, necessarily also dividing Germany. Conversely, Europe can never be truly reunited until this injustice is rectified.

This reasoning entirely overlooks the persistence of national rivalries: the possibility that European nations *other* than the Soviet Union might have objections to reunification. And yet

[2] "Dregger zur Deutschen Frage: Die deutsche Einheit kann niemals ohne und erst recht nicht gegen Europa errungen werden," *Rheinischer Merkur*, Oct. 24, 1985.

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the Europe envisioned by traditionalists is still very much a Europe of nation-states. Dregger sees a united Europe in which France will always be France, Italy always Italy, Poland always Poland, and so forth. "In such a Europe, Germany cannot be other than Germany." It does not seem to have occurred to the traditionalists that this is precisely what other Europeans may be afraid of.

For traditionalists, being a German in the Federal Republic today means being part of a divided nation, being conscious of that division and recognizing the obligation to overcome it. This insistence on the division as a focal point of national identity harks back to the German experience in the nineteenth century, presenting the struggle to reunite East and West Germany as just the latest phase in the centuries-long struggle of the German nation to achieve political self-expression. Traditionalists argue that prior to Bismarck, Germans sought not a *Grossdeutschland*, in the sense of a great power on the international scene, but rather a unified, democratic, peace-loving nation. The current West German system satisfies these political criteria, but only reunification can complete the agenda.

Traditionalists brush aside the suggestion that, since Germany was united only from 1870 to 1945, unification may well be the anomaly and division the norm. Their counterarguments are instructive. First, that Germany would have been unified long before 1870 had it not been for the envy and hostility of its European neighbors. Second, the best evidence of the durability of the German nation as it was constituted between 1870 and 1945 is its people's determination to remain united in 1918 and 1945. Third is the Polish analogy: traditionalists invariably point out that Poland ceased to exist for over a hundred and fifty years, yet managed to retain its identity as a nation and reestablish the state expression of that identity.

Germany as Poland—one of the most victimized states in modern history! German national aspirations blocked by its European neighbors in the nineteenth century, by the Soviet Union in the twentieth. Yet these visions are not a deliberate attempt to obscure Hitler's crimes. More likely they function as a mechanism of rationalization and transcendence. Conceiving the German question as a quest for reunification through the liberation of the G.D.R. enshrines domestic and international recognition of a wrong inflicted on the Germans, and a

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corresponding redemption of those Germans now dedicated to the Western cause. It thereby preempts many more difficult questions for both the Germans and their neighbors.

IV

The Europeanists conceive the German question as the question of how to reunite Europe to bring the Germans back together as a powerful force at the center of the continent. Europeanists regard themselves as the pragmatic heirs to Willy Brandt, seeking a "peace order" that will resolve German, European and superpower security concerns once and for all. At the same time, however, the F.R.G., and eventually the two German states working together, will have empowered themselves and their neighbors as the architects of a prosperous, peaceful, and politically and economically autonomous Europe.

Konrad Adenauer's choice of full-scale integration into the Western alliance was intended above all to protect the Federal Republic against "yet another 'nightmare of coalitions,' the abiding obsession of modern German foreign policy."[3] The first modern German statesman to face this problem, and to coin the phrase, was Bismarck. In a sense, Genscher is the latest in this line. His European peace order is the modern solution to this perennial problem—an engineered encirclement with linkages everywhere. Shared cultural norms, a common awareness of larger global problems, and a high degree of economic, political and military interdependence will banish the "nightmare" once and for all. Achieving this vision will require the same inexhaustible patience, political sensitivity and diplomatic skill demanded of Bismarck. And success will mean similarly enhanced national power.

The cornerstone of the Europeanist conception is the identification of the division of Germany with the division of Europe, and thus of inner-German policy with European peace policy. Unlike the traditionalists, however, the Europeanists do not seek to overlook or obscure the German role in the division. Quite the contrary, they understand that Germany's European neighbors are likely to be far more comfortable with the reunification of Europe than with its German corollary. By equating the European and the German division, they fix European eyes on a higher prize while simultaneously

[3] Josef Joffe, "The Foreign Policy of the Federal Republic of Germany," in *Foreign Policy in World Politics*, ed. Roy C. Macridis, 6th ed., Englewood Cliffs, NJ: Prentice-Hall, 1985, p. 83.

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reassuring all concerned that the Federal Republic will not move too far out in front of its neighbors. This tactic does not aim to deceive. It simply reflects a twin belief that the Germans, in one state or two, are entitled to political power commensurate with their economic power, but that they must proceed with care.

The Europeanist conception incorporates a healthy dose of pragmatic statesmanship. To take one example, Genscher has had to adopt a variety of strategies to preserve his vision and achievements amid the ebb and flow of East-West relations. In the wake of the Soviet invasion of Afghanistan in 1979, the Federal Republic floated the notion of "divisible détente," meaning conflict in the Third World but continued cooperation in Europe. This gambit received a chilly reception in Washington; by the time of the next major crisis in East-West relations, the declaration of martial law in Poland in December 1981, the West Germans were trying another tack. They sought to achieve the same result by emphasizing the indivisibility of détente, the concomitant hardship a chill in U.S.-Soviet relations imposes on the two German states, and thus the advisability of adopting a prudent and measured response that would maintain at least a minimum level of cordiality. In 1983–84, during and immediately after the INF crisis and prior to Gorbachev's accession, the F.R.G. had to accept that U.S.-Soviet détente was essentially over. Bonn floated the idea of a "division of labor within the alliance." The not-so-tacit suggestion was that the Federal Republic would worry about the détente pillar of the alliance, and the United States would take care of defense.

Through the late 1980s, however, the Europeanists have been riding high, finding validation in a growing consensus that a new age is dawning in East-West relations, in which the F.R.G., at least, is likely to play an increasingly important role. They also have the satisfaction of watching long-tended gardens in Eastern Europe finally begin to flower. Their chief concern is to ensure that the East European conception of Europe, or more precisely, of central Europe, does not diverge too far from their own or deviate too far from what can reasonably be accomplished within the existing order. Stability is the precondition for successful change. For the same reason, they must above all seek to allay foreign fears about German aspirations. They can do so in good conscience: their ambitions are less for a German nation-state than for freedom, power and influence for the German people.

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The Europeanist watchwords in inner-German relations are "unity" and "self-determination." Self-determination does not necessarily mean "liberating" the East Germans, but rather assuring all Germans the right to choose their government freely. The difference is the recognition that the East German population might not choose the West German system. Similarly, unity need mean no more than collective self-recognition as one people bound together by a common historical, linguistic, cultural, ethnic and, in a sense, geopolitical identity—notwithstanding political, economic and social differences. It also means unity in the service of common goals, beginning with a shared German responsibility for peace. The play in these terms is consistent with the general fluidity and potential adaptability of the Europeanist orientation.

Consider Chancellor Helmut Kohl's slogan: "Freedom is the core of the German question." Its ambiguity is designed to neutralize both domestic and international objections to close inner-German collaboration in the pursuit of a Europeanist foreign policy agenda. The traditionalists at home, for whom freedom and communism are antithetical, remain fairly satisfied that the government has not abandoned their quest. Suspicious foreigners, on the other hand, may reasonably conclude that the Federal Republic now equates the restoration of German unity with a safeguarding of certain fundamental rights for the East German population, even if it is within the confines of their current political system.

The Europeanist conception of the German national identity derives not only from the legacy of the past, but also from the achievements of the present. Europeanists generally support the Kohl government's emphasis on the revival of German history and the restoration of patriotic symbols such as the flag and the national anthem. Yet Kohl's program of "national identity and moral reorientation" is also designed to overcome the "cultural pessimism" and "moral inferiority" that have prevented the Federal Republic from becoming a political as well as an economic giant in current world events. Similarly, Michael Stürmer, historian and sometime adviser to Kohl, connects the need for "healthy patriotism" with the Federal Republic's increased national responsibility.[4] Genscher adds yet another element to this conception by stressing

[4] Speech at 1985 Aspen Conference in Berlin, reported in Uwe Schlicht, "Allergisch gegen Begriff 'Sicherheitspartnerschaft,'" *Der Tagespiegel*, Dec. 6, 1985.

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a growing *European*—not West European, but pan-European—identity.

This answer, or answers, effectively mediates any potential conflict between short- and long-term German goals. A healthy national identity will allow the Federal Republic to shoulder increasing political power, while emphasizing the importance of exercising that power responsibly. For much of the 1980s this stance also countered East German attempts to appropriate all that is positive in German history. For the 1990s it establishes a framework that is likely to militate against an overly hasty attempt to re-equate national identity with the political identity of a reunified state.

V

The universalists no longer conceive the German question as a primarily *political* question, at least not with respect to the two German states. It is rather a fundamental question of national mission: how and for what purpose the German nation will henceforth choose to define itself. Specifically, can the Germans confront and transcend their past by becoming catalysts for the transformation of the postwar international order into a structure for permanent peace? Universalists believe the answer depends not on any particular configuration of nation-states, but on the elaboration and promulgation of new social, economic and political values that will form the structure of a new pan-European civil society, beyond borders and ideologies. The legitimacy of German participation in this enterprise, however, depends on a profound reevaluation of what it means to be a German today.

Universalists seek to define the German nation in terms of a people whose commitment to peace overrides traditional national values. Perhaps the best way to understand this notion is to contrast it with the Europeanist view. In 1984 Professor Richard Löwenthal, writing on "the new German question" explained:

> For the first time in modern history, then, what appears as the German Question has taken the form of an almost desperate desire for peace by the German people in West and East.[5]

The underlying assumption of his article, however, and one shared by his fellow Europeanists, is that the Germans want

[5] "The German Question Transformed," *Foreign Affairs*, Winter 1984/85, p. 303.

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peace to preserve their pre-existing common German identity. What binds the nation together is what has always bound the nation together: a common language, history, culture, ethnicity and intellectual tradition.

In the universalist conception, by contrast, the premium placed on peace is *itself* a vital constituent element of the German national identity, and the precursor of an identity that is no longer distinctively national. This is the lasting legacy of the peace movement. For a nation bearing the stigmata of responsibility for two world wars and the cold-blooded murder of millions of people, dedication to peace is a powerful catalyst. It symbolizes not only atonement, but the hope of lasting redemption for Germans on both sides of the border.

This emphasis on a common German responsibility for peace thus has little to do with the more pragmatic Europeanist rationale bringing the two German states closer together by dint of a common conviction and insulating inner-German relations from superpower crises. Peace is not simply a synonym for security; it is both the fruit and the seed of a higher moral and intellectual state. On the one hand, Green leader Otto Schily exhorts the Germans to "seek their identity in a free spiritual life and in the peace-establishing universality of intellect [*Geist*] and culture."[6] At the same time, the elevation of peace as an ultimate value and the concomitant rejection of the arms race is the precondition for turning attention to the real problems of the world—beginning with hunger and poverty in the Third World, but extending also to the unforeseen conundrums of postindustrial West European society and the human dimension of the modernization of Eastern Europe. This identification with individual suffering, sacrifice and even simply anomie, as opposed to a sterile preoccupation with affairs of state, is, as Schily concludes, the beginning of "a new German identity" that is also, and most importantly, "a European, a human identity."

Thus, in Europe, peace is essentially a metaphor for a new mode of international relations. Predictably, the universalists have more in mind than simply pushing and pulling for a reconfiguration of the European balance of power. In fact, they reject balance-of-power politics altogether—not only the outcomes arrived at in any given situation, but also, and most important, the underlying logic that equates human interests

[6] Otto Schily, *Reden über das eigene Land: Deutschland*, pp. 37–51, 47.

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with state interests. The Germans, as the people best poised to recognize their common humanity through the thicket of externally imposed differences, will work toward a "cultural and spiritual disarmament" that will in turn promote pan-European cooperation in pursuit of common goals beyond peculiarly national interests.[7]

At least among the Greens, notions about how to achieve this vision in Europe come in various shapes and sizes. Consistent with the party's internal rifts, these range from supplanting nation-state politics through the mobilization of democratically organized grass-roots movements to an image of a "new European order" built on a reunified Germany as the bulwark of peace. In between is a somewhat more realistic picture of a pacifist, neutral Europe, or at least a central European zone, based on permanent acceptance of the German division.

Predictably, universalist sentiments among SPD supporters are more constrained. But a common thread exists—primarily in the desire to break out of well-worn intellectual and political constructs. The concept of a "security partnership" with the G.D.R. is a prime example. Shorn of the caveats and qualifications that SPD politicians feel compelled to employ to circumscribe the concept, it is a radically different set of assumptions and convictions about national defense. Instead of deterrence, which necessarily views states as discrete entities posing discrete threats to one another as states, a security partnership imagines cooperation in building a common protection to a common threat. Such a cooperative structure would in turn be a building block for a new international order in which traditional nation-state interests would gradually give way to global human interests.

The logic of the universalist conception does not recognize the future configuration of the two German states as a discrete question. Germany is a vessel in the service of a larger ideal. Its shape should be that in which it can best fulfill that function. And indeed, the different visions of a future Europe espoused by contending Green factions give rise to very different objectives in inner-German relations, from a confederation of the two German states to full and final recognition of the G.D.R. Of these options, recognition is in some ways the most radical, the most interesting and, paradoxically, arguably the most likely to command support among non-universalists.

[7] Paper by Karl Schlögel, Aspen Institute Berlin Conference, Paris, September 1988.

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The universalist definition of recognition means actually renouncing the quest for German unity. It means permanently accepting the G.D.R. as a separate German state—which includes accepting the thorniest issue of all, a separate German citizenship. More important, it means recognizing the G.D.R. as an equally *legitimate* German state: a mode of political, economic and social organization as reflective of the will of one part of the German people as the F.R.G. is of another.

Consistent with their basic orientation, universalist supporters of recognition justify it in terms of its impact on the building of a new German national identity. The premise is that the fervent anticommunism of the 1950s spared West Germans the painful necessity of coming to grips with themselves and their past. As a result, the authoritarian traditions and structures that allowed Nazism to flourish were never fully eradicated. Blocking this escape hatch once and for all will forcibly dismantle this edifice of denial and rationalization, at last compelling a long overdue process of true social and political purification. In turn, given the universalist belief in the inseverable connection between domestic and international politics, true European security depends on each individual state putting its house in order.

This notion has also found echoes in the SPD. Günter Gaus, former West German permanent representative to the G.D.R. under Helmut Schmidt, argued as early as 1981 that recognition—albeit in a less radical form than the Green version—would force the West Germans to face the truth about the G.D.R.[8] He claimed that the emphasis on the juridical niceties of "holding the German question open" preserved the myth of someday "liberating" the East Germans, assuming that the West German system is the desired norm. In fact, however, it had locked West German policymakers into a rigid and ultimately sterile framework, blinding them to evidence that the East Germans might be more interested in creating their own system. This myopia in turn had hampered the formulation of policies that would give East Germans the help they actually want. Josef Joffe, writing in 1985, said of the Berlin Wall: "the closure of the refugee conduit foreshadowed an uninterrupted period of East German nation-building and ultimately, the slow convergence between totalitarian rule and popular

[8] *Die Welt*, Mar. 27, 1981.

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consent."[9] And as recently as June 1989, Flora Lewis was reporting from Bonn that West German politicians were beginning to contemplate, at least in private, that they might "overcome the division of Europe without overcoming the division of Germany."[10]

In late 1989, inundated with poignant scenes of East Germans willing to give up all they have in a desperate attempt to make it to the West, such arguments initially seem not only heretical, but grossly inhuman. Nevertheless, they may yet have their day. To the extent recognition is formulated as an actual policy option, however, it will be based not on a universalist rationale, but on its appeal to the Europeanists for a host of far more pragmatic reasons.

VI

To understand the full practical implications of these different conceptions of the German question it is useful first to imagine the continuation of present international political trends—without crises. The picture is a Europeanist dream. In the East, former Soviet satellites are bubbling with economic and political reform, and the Soviet Union is actually encouraging an active West German role in the region to keep the situation from boiling over. In the West, the European Community is marching toward 1992—creating a platform and a carapace for the projection and containment of German power. The Germans are at the center, economically, politically and culturally, and are determined to press their advantage.

Genscher and his Europeanist successors thus continue to deepen and expand a protected zone of special central European relations with a network of inner-German relations at the core. They simultaneously project the Federal Republic as ordinary and extraordinary: both as one nation among many engaged in a common European enterprise and as a people specially positioned by virtue of their geography, history and culture to lead the way.

Meanwhile, the Federal Republic's neighbors, allies and former enemies remain convinced that this maneuvering has but one ultimate goal, that the basic commandment of West German foreign policy, no matter how long it takes, is the

[9] Joffe, *op. cit.*, p. 89.
[10] *International Herald Tribune*, June 16, 1989, p. 6.

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restoration of German unity. Western attention thus focuses increasingly on the potential economic and political power of a reunited Germany. *The Economist* has already limned the prospect: a Germany with a GDP of "$1.5 trillion, one-and-a-half times that of France," and "660,000 men under arms, more than twice Britain's armed forces and the largest military power in Western Europe."[11]

In the looming shadow of this hypothetical entity, Britain, France and the United States engage in the familiar diplomatic dance of formally supporting something they substantively oppose. Their assumption is that Moscow, in its opposition to a reunified Germany, will not relinquish its hold on the G.D.R. in any context in which the F.R.G. might actually hold the Three Powers to their pledge of support for reunification. At the same time, the West must worry that the Federal Republic would in fact accept a Soviet offer if it arose. Thus the famed "German card": Moscow would offer reunification in return for the Federal Republic's withdrawal from NATO. The Western powers essentially count on the Soviet Union not to call their bluff, while constantly worrying that it will.

At the heart of the matter, as many Germans themselves understand, is the issue of to what extent and under what constraints their former adversaries and victims are genuinely prepared to allow them to wield national power. That is the question at issue in the Federal Republic's disputes with the United States over NATO policy. It is a question of sovereignty, not unity.

West German opposition to the proposed modernization of the Lance tactical nuclear missiles has been much publicized, particularly the slogan that has rallied support from all West German political parties: "the shorter the range, the deader the Germans." The controversy is clearly part of a larger pattern, arising from sharply differing perceptions of the nature and degree of the threat from the East and a concomitant disagreement concerning the most effective Western response. As in the INF crisis, the United States consistently errs in perceiving the West German position as a mixture of weakness and wishful thinking—a fear of antagonizing the Soviets and a motivated bias to interpret Soviet actions and intentions in the best light possible—that is in turn inextricable from a fundamentally mendicant posture on the question of

[11] *The Economist*, June 17, 1989, p. 13.

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reunification. Looking through a Europeanist lens, by contrast, means taking the West German government at its word. The issues become the equity of the NATO decision-making process, West German political and territorial sovereignty, and how best to bolster Gorbachev so as not to jeopardize the gradual but steady freeing of Eastern Europe.

Even more interesting is the integration of the traditionalist and universalist perspectives. Western commentators have been particularly concerned that unlike the INF crisis, the normal partisan divisions no longer apply in West German domestic politics, at least not in terms of the expected right-left split. The hard right has been as vocal in opposing the Lance modernization as the left. More alarming yet, at the CDU-CSU party conference in Wiesbaden in June 1988, a number of politicians who had spent years reaffirming the Federal Republic's staunch commitment to NATO as the precondition for reunification began debating the advisability of cutting a deal with the Soviet Union for a neutral but reunified Germany. In this objective, if not the underlying motive, they found common ground with one faction of the Greens.

One explanation for this phenomenon is that the basic bargain agreed on between the Federal Republic and its Western allies in the 1950s is coming unstuck. Adenauer managed to sell Western integration as a remarkable synthesis of security, democracy and—eventually—German unity. Thirty years later, many are still waiting for reunification, and many more are no longer sure that the trade-off can be accurately labeled "security." Democracy, on the other hand, as West German historian Arnulf Baring has recently pointed out, is largely taken for granted.

An alternative explanation is to understand this unexpected convergence between the far right and the far left as the intersection of the traditionalist and the universalist conceptions of the German question. The traditionalists, remember, perceive Germany as victim, deprived of her national birthright. The Soviet Union has long been the principal victimizer in this account, but the basic outlook can equally encompass allies who fail to live up to their commitments and who buy their own security at German expense. The result is an image of Germany victimized by both East and West.

Universalists also have a notion of Germany as victim, not because the Germans remain deprived of a nation-state, but because of the omnipresent threat of nuclear incineration. It

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follows that the Germans are not, as the traditionalists would have it, singled out for special suffering; on the contrary, they share this potential plight with their fellow Europeans.

These differences in orientation yield very different results. At bottom, despite their apparent convergence, the policy agendas of these two groups are fundamentally antithetical. Traditionalists seek a German nation-state in a Europe of nation-states; universalists seek to "overcome nation-state thinking."[12] Even the universalists who call for reunification see it as a way of breaking out of the current structure of East-West relations, in search of a new European order that will cast off archaic forms of political organization.

A left-right coalition in opposition to specific weapons systems and NATO policies may be unavoidable. But it cannot last. The best strategy for Western governments and Europeanists within the Federal Republic may be to emphasize these underlying differences and to tailor different arguments for different factions. The traditionalists should be encouraged to put the Soviets to the test. After all, according to Alfred Dregger, the *Schicksalfrage* (destiny question) of our times is whether the Soviet Union is capable of understanding that its best interests lie in pulling out of Eastern Europe and substituting a close economic partnership with a united Europe. The universalists, on the other hand, faced with the prospect of the traditionalist brand of nationalism, could well be convinced that a more gradual, Europeanist-style approach to building a new Europe might be less risky.

VII

The greatest challenge facing U.S. and West European policymakers is to encourage, but above all to safeguard, the process of change in Eastern Europe. In practice, as the superpowers tacitly agreed at the September 1989 Baker-Shevardnadze meeting, this means avoiding any threat to the cohesion of the Warsaw Pact or the security of the Soviet Union. Against this backdrop, the turmoil in the G.D.R. spells potential disaster. The G.D.R. is the linchpin of the Soviet security system in Eastern Europe. Its stability is critical to preserving the entire structure of East-West relations.

The outflow of tens of thousands of East Germans would not in itself seem to jeopardize the existence of the East

[12] Schily, *op. cit.*, p. 45.

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German state so much as simply to signal the need for reforms to match the changes in Poland and Hungary, to counter the East Germans' impression that they are living in the last Stalinist state. But at least for the Western media, reform in the G.D.R. is synonymous with reunification. Unlike Hungary, Poland and Czechoslovakia, which have their own national traditions to hold them together as distinct states, the G.D.R. has only communist ideology. Without it, the G.D.R. is "only the Eastern half of the German question." According to one report, "most experts agree . . . that given a chance to vote for self-determination, a large majority of East Germans would choose reunification."[13]

This is the traditionalist conception, strengthened in the Federal Republic itself by the rise of the strongly nationalist Republican Party and the influx of the refugees. It is bolstered among a larger Western audience by a particular hubris that envisions the East European countries voluntarily becoming carbon copies of their West European counterparts as soon as they are given a chance, combined with the projection of Western nationalist traditions in which political and national boundaries have long been coterminous. It is impossible under present circumstances to prove or disprove the existence of a separate East German identity or potential loyalty to a separate East German state. The recent crisis of the East German leadership made it absolutely clear that the East Germans want a better life. That is the mandate of Egon Krenz, recent successor to longtime East German leader Erich Honecker. Krenz may or may not prove to be an East German Gorbachev. Regardless of his intentions, however, and notwithstanding the caution and circumspection of his initial steps, he is potentially loosing forces that could overwhelm him. Under these circumstances, the task of all parties concerned—Eastern Europe, Western Europe, the Soviet Union, the United States and the Federal Republic itself—is suddenly the containment of change.

The traditionalists are thus unlikely to have the last word in the domestic political debate. The balance of power on these issues, in terms of translating opinion into action, rests with the Europeanists. And although the Europeanists certainly share the traditionalists' desire to overcome the German division, they will continue to insist on the necessity of pursuing this

[13] *Time*, Sept. 11, 1989, p. 13.

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goal in a pan-European framework. Within that framework, stability is the prerequisite for change. Stability in Europe means the maintenance of the existing international structure: two superpowers and two Germanies. Stability in the G.D.R. means reform without the threat of reunification.

In this context, the universalist alternative of recognition could come into its own, albeit not for universalist reasons. As an actual policy option, it would entail the following moves. The F.R.G. would formally recognize two fully sovereign German states. (Berlin, however, would retain its special status under Four Power control.) The preamble of the West German constitution, which calls upon all Germans "to achieve in free self-determination the unity and freedom of Germany," would be amended or officially reinterpreted to rule out political reunification of the two German states. Finally, the F.R.G. would recognize a separate East German citizenship, thereby denying East Germans automatic passage to the West. This would not block all refugees; they would simply be subject to regular immigration policies that could be altered and revised in accordance with specific domestic and foreign policy considerations.

Recognition would be a political masterstroke, slicing through the Gordian knot of East European and East German change, European stability and German power. As European policy, it would be a structural guarantee promising a much-needed measure of certainty and predictability, thereby freeing the F.R.G., and perhaps ultimately the G.D.R., to lead the way in forging a permanent East-West détente and rebuilding Europe from the inside out. As inner-German policy, it would immediately create the conditions necessary for major economic and political reform in the G.D.R., beginning with freedom of travel and ultimately leading to political freedom and economic prosperity for *all* Germans in both states.

In sum, recognition would complete the logic embodied in Willy Brandt's Ostpolitik, safeguarding the German nation by exchanging formal separation for functional unity. Bound within their two states, the Germans would be unfettered to forge new links through human rather than official relations.

It is admittedly difficult to imagine the current West German government undertaking such a step, given its traditionalist constituencies. But a new coalition of the SPD and the Free Democratic Party emerging from the 1990 Federal elections, or a SPD-FDP-Green "stoplight" (red-yellow-green) coalition,

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could well seize a second chance to make history. Power would shift from a Europeanist coalition with traditionalist ballast to a Europeanist coalition with a universalist vanguard. The universalists are accustomed to breaking political taboos. And the Europeanists are fundamentally pragmatists—preferring substance over form. In addition to their sophisticated understanding of the realities of European power politics, they are flexible enough to understand that recognizing the German division as permanent could be the final step toward overcoming it.

There are other parallels between the international situation of the late 1960s and early 1970s and that of the late 1980s and early 1990s. Once again a superpower is realizing the limits of its power both at home and abroad, and seeking to adjust its international burden to free up resources to address domestic problems. But this time that superpower is the Soviet Union. And the Germans are concerned less about keeping up with the tide of East-West relations than about being held back. Henry Kissinger worried in the early 1970s about creating a framework to ensure that Ostpolitik did not get out of hand once it was launched. But the best check on West German aspirations then came not from the West but from the East. The Soviets blew hot and cold, and the East Germans remained downright intransigent. As the crisis in East Germany weakens that bulwark, the stream of whispers and worries about the German question is swelling to a flood.

The Germans are no longer the Germans of 1933, or even 1949. Traditionalist voices may certainly still be heard, often stridently. Universalists may sometimes sound similar notes, searching for new melodies. But they are all part of a much larger chorus, and the refrain is no longer *ein Deutschland*. It is time to concentrate on what the Germans themselves—East and West—think and want, instead of what other nations, based on either their own historical experience or deep-seated beliefs about entrenched national characteristics, assume they must think and want.

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Jeffrey E. Garten

JAPAN AND GERMANY: AMERICAN CONCERNS

For over half a century Japan and Germany have been at the heart of America's international preoccupations. After a long and destructive war against both countries, the United States worked exhaustively to help its two erstwhile enemies recover and build democratic societies secure under the American defense umbrella. From the late 1960s to the mid-1980s, victor and vanquished moved to a more balanced relationship, especially in trade and finance. Today, in one of history's great role reversals, Tokyo and Bonn have become Washington's fierce trading rivals and also its primary bankers.

The relationship between the United States and its two allies—and, indeed, between Japan and Germany themselves—is now changing dramatically. In the 1990s economic pressures are likely to be the major factor reshaping ties among the three nations. What will the consequent environment look like? What will be the most important points of contention? How should the United States respond?

The search for answers has to go beyond homilies about better coordination, burden-sharing and new partnerships. It should begin instead with a clear-eyed look at the difficult issues arising from these countries today. It should focus on the interests of Japan and Germany, and how their governments, businesses and populations are likely to deal with the crucial issues of growth, trade and finance, as well as how they are likely to behave in certain geographical regions. Finally, it will be important to determine the degree to which the challenges of Japan and Germany ought to be viewed together.

Tokyo and Bonn could be responsible for some of America's biggest headaches in the upcoming years. Each could present

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Washington with almost intractable problems deriving from their domestic drives, and in some important cases their interests could converge in opposition to America's needs. This combined challenge should lead as quickly as possible to serious soul searching, in the Bush Administration and Congress, for a more effective policy framework.

II

There are many reasons for American concerns. There is no need to belabor disclosures of the growing assertiveness of Tokyo or Bonn, or of the escalating trade tensions between the United States and its allies which are wearing down governments and taking a toll on all aspects of relations. Beyond that, however, the world economy has become dangerously unbalanced. Despite all the attention given to America's "irresponsible" deficits, Japan and Germany are a major part of the problem too. They, after all, are the ones running large trade and financial surpluses. If this situation is not corrected, it could lead to destructive competition for trade and more destabilizing plunges in financial markets.

No letup is in sight. In both Japan and Germany the economies are booming, investment in new production capacity is growing, and exports are not weakening. America, on the other hand, shows no similar strength. The International Monetary Fund (IMF), for example, projects that the U.S. current account deficit will grow to $139 billion next year from $125 billion in 1989, while Japan's surplus will balloon to $90 billion from its present $72 billion and Germany's to $57 billion from $53 billion. Moreover, America, Japan and Germany are at loggerheads concerning how each ought to handle its deficits or surpluses, and whose responsibility it is to change policies.

This standoff is part of a larger problem of diverging perspectives. America's objectives, for example, are easy to define, at least when expressed in the most general terms. Washington wants Tokyo and Bonn to bear more of the financial burden for troops, weapons and foreign aid around the world. It wants the two countries to keep their powerful economies wide open to U.S. grain, semiconductors, and American banks and insurance companies. It wants a strong helping hand from its two allies to keep the dollar stable, but Washington also wants to remain in control of its own security and economic relationships.

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Japan and Germany see the world differently. They want America to maintain most of the obligations it assumed in the early postwar years. They are less clear, however, about their own goals and responsibilities. Both countries lean toward free market policies, which would liberalize trade and deregulate and privatize state-owned companies, but each has been slow to move in this direction. They expect to be partners in big decisions and small, but they want the United States to be out front and to take the political responsibility for efforts that fail. Japan and Germany have the power to influence outcomes—especially by refusing to go along with U.S. initiatives—but if they have a positive vision of where they want the world economy to go, they have not been able to articulate it.

Moreover, the nature of domestic politics in both Japan and Germany seems increasingly out of step with the requirements of international leadership. In Tokyo, for instance, the ruling Liberal Democratic Party, which has dominated the nation in the postwar era, has been wracked by political scandals; it now needs to focus on winning back its popularity. This preoccupation could translate into a pandering to local concerns at the expense of global responsibilities. In Bonn, the two major parties—the Christian Democrats and Social Democrats—have now to contend with growing political power on the left (the "Greens") and the far right (the Republicans and others). The prospect is for shifting coalitions of leadership and increasing polarization. For both nations, then, the implication is for stronger than usual resistance to new policies that hurt any major constituency—precisely the kind of inhibitions that will make meaningful global economic collaboration difficult.

While Japan and Germany share many broad economic and social goals with America, there are important differences between the United States and its allies. Japan's main policy objective has been to protect its economy—access to raw materials abroad, access to foreign markets, and the nurturing of powerful conglomerates in industry and finance that are big enough to perform stabilizing roles in society. In America the purpose of economic policy has been different: individual choice and customer satisfaction.

In Germany the main goal has been to maintain low inflation, even at the cost of significant long-term unemployment. In America, by contrast, there has been more balance in the trade-off between prices and jobs.

In both Japan and Germany, government institutions sym-

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bolize and reinforce national aspirations. The Ministry of International Trade and Industry and Ministry of Finance embody and guide Tokyo's economic drives. The Bundesbank oversight of Germany's interest rates and currency is a surrogate for political responsibility and moral rectitude. There is no U.S. commercial or financial institution that has such a status in the American psyche.

Finally, in both Japan and Germany, the distinction between economics and foreign policy is far more blurred than it is in America. Partly because they are smaller nations and more dependent on the world economy, and partly because of constraints on their ability and willingness to have independent military capabilities, Tokyo and Bonn have learned to make economics an extension of politics by other means. It is a perspective not characteristic of America.

III

What are some of the characteristics Japan and Germany have in common that could drive their future policies? Culture, language, geography and resource endowments separate Germany and Japan as nation-states, as does physical size, GNP and population (see Table 1). Japan's direct impact on the world economy in the years ahead, for example, is likely to be far greater than Germany's. This stems from several factors besides its much larger size.

TABLE 1

1989 COMPARISONS

	Japan	Germany	U.S.
Population *(millions)*	122	61	244
Gross Domestic Product *(billion dollars)*	2,400	1,100	4,500
Export of Goods *(percent of GDP)*	8	26	6
Imported Goods *(percent of GDP)*	6	20	10
Area *(square miles)*	145,856	95,975	3,618,770

Source: OECD, Economic Survey 1988/89

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First, Japan's ambition and reach far exceed Germany's. Bonn is essentially a European power whose options are heavily constrained by its membership in the European Community (EC). Tokyo has much more flexibility and its drives are global. Second, Japan is more innovative and dynamic; it is becoming the world's foremost laboratory for new products and industrial processes. Third, Japanese domestic markets are, de facto, much more closed than Germany's (where imports as a proportion of GNP far exceed America's); Japan's internal structure, unlike Germany's, will be under pressure from the United States and others to undergo a true revolution in the 1990s. Finally, Japan's relationship to America is starkly intense. Tokyo enjoys no close ties or alliances with anyone else but Washington. The United States and Germany loom nowhere near as large in each other's psyche and future, as do the United States and Japan.

Even with these caveats, there are many common threads. Both nations are economic powerhouses. Japan has roughly twice the GNP and twice the population. But what does or does not happen to Germany—where a quarter of Western Europe's GNP is created—also affects the economies of France, Britain, Italy, the Benelux countries and some 320 million consumers in the region.

Both have a major financial impact on the global financial system. Each has a strong currency with low inflation; the yen and the deutsche mark have become anchors for the world monetary system—in contrast to the instability of the dollar. The sheer volume of Japan's financial surplus, and the strong influence that the Ministry of Finance has over the behavior of Japan's banks and securities companies, give Tokyo extraordinary clout. However, the deutsche mark is used far more often than the yen in trade, investment, reserve holding and intervention in foreign exchange markets. The Bundesbank may soon become the central bank for all of Western Europe, with influence over the entire pace of economic activity on the continent.

Both nations are impressive exporters. Tokyo receives more attention in Washington because Japan's trade surplus with America is so large, and because it totally dominates certain sectors of the world economy. In fact, however, Germany is the world's largest exporter of goods. It is not only running large surpluses with its European partners and contributing to global imbalances in the same way as is Japan, but as a

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proportion of GNP, Germany's current account surpluses are the highest in the Organization for Economic Cooperation and Development (OECD).

Japan is often accused of deliberately gearing its economy to keep out foreign products. Such charges are not made with regard to Germany. This said, however, in several areas of greatest interest to the United States—telecommunications, financial liberalization and agriculture—Germany is a relatively closed economy compared to the United States, Canada or Britain.

Both countries have had a single-minded preoccupation with international competitiveness. They are extremely high savers, and they ensure that their industries have access to low-cost, long-term money. Research and development has been a high priority for years, as have manpower training and education.

In both Japan and Germany, workers occupy a more central position in industrial organization than they do in America. In the former case their position in industry is nurtured through teamwork and almost permanent job security. In Germany unions are powerful and have a strong voice in corporate management.

Finally, they both share historical legacies that continue to influence their behavior. True democratic revolutions, in which individual rights and individual choice emerged as potent objectives of government policy, never occurred in Japan and Germany. In addition, each country was forced to play "catch-up" with other industrial societies that had experienced the industrial revolution much earlier and had the economic benefit of long sustained trading relationships with large colonial empires. The combined result of these factors was an evolution in which the state has played a major role in the economy, motivated in part by insecurity and a determination to overcome perceived disadvantages in competing with others. It is no accident, therefore, that both Japan and Germany developed tightly woven economies.

In both countries, for example, banks hold significant shares in industrial companies, thereby leading to the presence of powerful financial-industrial conglomerates that are extremely difficult for outsiders to penetrate. Companies have cross-equity holdings in one another, adding to the web of tight relationships. Government plays a heavy role in the private sector by way of regulations and subsidies. Corporate practice,

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so often a good reflection of society's priorities, favors management and large institutional owners rather than individual shareholders. To varying degrees these features allow for controlled strategies against foreign ownership of each nation's assets; foreign takeovers face a range of regulatory and cultural obstacles and are rare occurrences. In fact, net new foreign investment in Japan has been negligible in recent years; the same is true of Germany.

IV

The drives and policy constraints of Japan and Germany could lead to tensions with America in several ways.

First, there is the specter of a recession in America in the early 1990s. Although economic forecasts for the industrial world have been bright in late 1989, the long business expansion of the 1980s will surely end at some point. The United States is particularly vulnerable to a deep slump. Many companies that have acquired large amounts of debt from leveraged buyouts and junk bonds are already struggling, and a period of slow growth could result in a large wave of bankruptcies. Moreover, the banks and the savings and loan system are in extremely fragile shape; if their borrowers have problems repaying loans, their own plights will worsen.

Recessions have come and gone, of course, but this time Washington lacks the usual tools to dig its way out. In the past, for example, it could increase government spending and stimulate consumer demand. Now, however, existing budget deficits are so large that any more spending would create fiscal havoc. In the past, the Federal Reserve could have lowered interest rates to spur investment. But with deficits and debt putting the dollar in so precarious a position, an easier monetary policy could encourage foreign holders to dump their dollar holdings and send the greenback into a free fall.

It is here that Japan and Germany enter the picture. Faced with recession, Washington—its hands tied domestically—would surely implore its two allies to grow faster and buy more American products. That has been a standard American refrain since the mid-1970s, but it could now assume greater importance than ever before. It is far from certain that Japan and Germany would go along with America's requests. Both are already growing very rapidly and already fear inflation in their own countries. Tokyo and Bonn share the view that

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Washington's problems are homegrown, that they could do little that would really help the United States without hurting themselves. In Germany, in particular, there is a deeply held view that trying to act as an economic locomotive is contrary to its interests and responsibility.

A recession, in short, could crack open the facade of economic coordination and common direction that have characterized the proclamations of ministers for the last few years, during which strong economic growth has prevailed.

v

Even without a recession, trade and budget deficits in the United States and huge surpluses in Japan and Germany present a longer-term problem. Unless those balances are corrected, they could have a debilitating impact on future American living standards.

To the extent that U.S. trade deficits continue at anything like today's levels, they will require major borrowings from abroad. This, in turn, will result in more buildup of foreign debt. The United States already has foreign obligations of over $500 billion. By the early 1990s it could reach $1 trillion, requiring debt service of some $8 billion to $10 billion per month. This is money that would otherwise have been available to invest in areas critical to American life: schools, police forces, anti-drug campaigns, medical research, environmental cleanup and infrastructural repair. If, as a result of America's large debt overhead, the dollar weakens considerably, then living standards would also decline as Americans pay more for foreign goods, which now constitute an ever larger portion of the products and services Americans use.

To deliberately curtail the growth of foreign debt and eventually reduce it, the United States would have to move from a trade deficit to a trade surplus. The arithmetic is not complicated. In the early 1990s the U.S. would need to cut to zero its $120-billion trade deficit, so that export receipts can cover the cost of imports. In addition, it would need an export surplus of some $80 billion to cover interest payments accumulated in the past. Assuming the United States could generate that incremental amount of new exports without generating bottlenecks, labor shortages and inflation, the question becomes, which nation will "make room" for U.S. products in such magnitude? The logical answer is those nations with the

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biggest surplus positions and large, booming consumer markets—in other words, Japan and Germany.[1]

Will Tokyo and Bonn oblige? Unlikely. While both governments will no doubt give lip service to the need to correct global imbalances, they will point to American deficits rather than their surpluses as the culprit. Moreover, on current policies and measured against their own goals, the economies of Japan and Germany are thriving. Almost any significant policy change would be politically painful and, at best, require many years to show results.

Take the case of opening up internal markets. The Omnibus Trade Bill of 1988 authorizes U.S. retaliation against countries that refuse to negotiate reductions in specifically identified barriers determined by the United States to be egregious. Even U.S. trade officials have been careful to point out that prying open foreign markets in this way, while important to certain U.S. firms and industries, will not substantially reduce the overall trade deficit for some time. In just one example, the United States has identified as its highest priority the removal of Japanese restrictions on American supercomputers, satellites and wood products. All told, the benefit might not be much greater than $5 billion.

The real barriers to American exports—after taking account of quality, marketing savvy and exchange rates—are social and cultural impediments. Needless to say, these will be extremely difficult to reduce.

The Japanese case is best known. The complex retail distribution systems keep out most newcomers—domestic and foreign. Because it has so many stages with so many people receiving a markup, imported goods, if they enter the system at all, ultimately lose their price competitiveness. Rigged bidding for many government projects makes foreign participation almost impossible. Interlocking ownership of manufacturers and suppliers makes foreign penetration very difficult too. All manner of "administrative guidance" by government agencies creates a shifting set of barriers for foreigners wishing to sell to Japan or to invest there. Sky-high prices for land have the effect of forcing Japanese families to live in cramped houses, which means fewer purchases of washing machines,

[1] In the case of Germany, in particular, "making room" for U.S. exports could mean importing more from its European partners, whose economies would, in turn, be stimulated to buy more American products.

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furniture and other items that would at a minimum recycle Japanese savings into consumer goods.

In Germany the biggest barriers to a substantial increase in imports are deeply cultural, too. Germany's growth results today mostly from exports, not from domestic demand. One big obstacle to consumer-led expansion, which would open up the economy more, is the high level of permanent unemployment, currently running at over seven percent. This problem results from tight monetary policy, from high unemployment benefits that keep workers out of the labor market, and from rigid labor policies that keep wages at very high levels, thereby discouraging employers from taking on new workers.

Between the United States and Japan, negotiations on these kinds of issues have begun under the rubric of President Bush's "structural impediments initiative." Progress promises to be painful because of political resistance and because Tokyo has demanded that America's shortcomings—from low savings rates to deteriorating education system—be put on the table, too. Washington announced very high expectations for specific results by next summer, and a major trade crisis seems inevitable by mid-1990.

In the German case, there are currently no organized trade discussions at all between Washington and Bonn.

VI

U.S. vulnerabilities and longer-term political questions associated with the growing financial power of Japan and Germany also need to be addressed. America today depends on overseas money to finance large portions of its budget deficit. If Tokyo or Bonn took steps to discourage foreign lending, Washington could not finance all its needs from its own savings. The consequent pressure on the domestic supply of funds would drive up interest rates, which could lead to a marked economic slowdown. Then the dollar would plunge, as investors worldwide lost confidence in the United States.

No one believes that either Japan or Germany would try to orchestrate such a crisis in the foreseeable future. But who can tell whether their political assertiveness will grow, fed by their own view that America is unable to discipline itself? Who can say whether they will react negatively to an aggressive U.S. trade policy or whether some political constellation will develop in either Tokyo or Bonn to put pressure on the United States, as America has pressed them in the past?

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Beyond such hypothetical scenarios is a broader range of financial issues—exchange rates, capital flows and investment, banking and securities regulations, foreign assistance—in which Japan and Germany will play an increasingly pivotal role.

Japan's financial power is already enormous, and still growing rapidly. Since the mid-1980s, Tokyo has acted like the world's central banker. It lent huge sums to America, thereby allowing it to run large deficits without igniting inflation, and to keep the dollar relatively stable without having to increase interest rates. Japan's intervention in securities markets stemmed the stock market debacle of October 19, 1987, and offered immediate relief in the shorter crash of October 1989. Its aid program could relieve Third World debt, and its capital outflows continue to find their way to investments in the United States, East Asia and, more recently, Western Europe. If reputable predictions are correct that Japan's financial surpluses will grow to over $800 billion in the 1990s from today's $350 billion, it is almost impossible to conceive of where such power will lead—how many industries will be dominated by Japanese firms; how much clout Japan will have in the IMF, World Bank and other organizations; what kind of political influence will accompany Japan's economic penetration of all global markets.

Less well appreciated in many U.S. circles is Germany's crucial role in global finance. This stems not from the magnitude of the nation's financial surpluses but from its influence throughout the European continent. Europe is moving not only toward an integrated market for goods and services but also toward a monetary union with a common currency and a single central bank. The details are still subject to political and technical wrangling but two conclusions seem inevitable: there will be some meaningful type of union and it will be dominated by the strongest financial power—Germany.

Why does it matter to America? A German-dominated European monetary system could have a bias toward very low inflation at the expense of job creation. This, after all, is the way the German authorities have managed financial matters within their own country. One implication could be a slower-growing Europe with increasing protectionist tendencies. For an America desperate to find new markets for its products, this would not be good news.

World monetary and financial policy is already characterized by close cooperation between the treasuries and central

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banks of the United States, Japan and Germany. As Tokyo and Bonn increase their weight in the global economy, the nature of decision-making is bound to change. The big issues may seem technical, but at stake are the pace of economic activity, competitive advantages in trade and the nature of outside help to the Third World and the Eastern-bloc countries.

There are deep-seated values inherent in decisions on these issues. For the last 45 years it has been American values that prevailed. If, in the future, Washington, Tokyo and Bonn share the same premises and objectives, the conflicts should be containable. But if they do not. . . .

VII

Other problems between the United States and its two most important allies could emerge because Japan and Germany are becoming major players in areas where Americans have had a relatively free hand.

The United States itself is not immune to this trend, as the pace of Japanese investment quickens. The recent sale of Columbia Pictures to Sony, the announcement in early November of the sale of Rockefeller Center to Mitsubishi Estate Company, the hints that Boeing Corporation may link up with Japanese firms in aerospace—these and other such deals could soon raise protest across the United States that could color all American attitudes toward Japan.

Elsewhere, Tokyo is creating a yen-dominated trade and industrial zone from Seoul to Sydney. To take advantage of lower costs, and to make room for high technology and information-intensive businesses on its own soil, it is moving its industries offshore to neighboring nations. In the process, however, it is not relinquishing much management, technology or ownership. Tokyo has proposed a regional Asian economic association, loosely modeled after the OECD. The Bush Administration has hastened to support a similar idea. But political initiatives are unlikely to reverse the trend of retrenchment in Asia by American banks, and to overcome the increasingly difficult time U.S. exporters will have competing for markets. The handwriting is on the wall as to who will be the dominant and most influential economic power in East Asia.

Japan has not yet acquired great influence in America's backyard—Latin America—but the possibility is there. There are many convergent interests between Japan and Latin Amer-

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ica. The southern hemisphere has minerals and oil that Japan needs. With its large consumer markets, it is an attractive outlet for Japan's exports. Tokyo's clout will be enhanced by its ability to refinance the debts of, say, Brazil or Argentina far more easily than Washington can, and its increasing amount of direct investment in Mexico. In addition, Japan will have increasing influence in the IMF and the World Bank, on which so much of Latin America's future depends.

U.S. and German interests could most easily diverge in Europe. In industry, finance and macroeconomic policies, Washington could be confronting a European Community heavily dominated by Bonn. There is little tradition in Germany for managing economic affairs with more than narrowly defined domestic welfare as a goal, and over time America could be confronting a more insular Europe and a more distant partner in the global economy.

Germany is not only the pivotal power in Europe as it approaches 1992, it is also the most important link with Eastern Europe and the Soviet Union. It leads all Western nations in trade with Poland, Hungary and the other Eastern-bloc nations. Bonn is also Moscow's biggest trading partner, and Germany has sponsored more joint ventures than any other OECD nation. Large German credits have already been extended to the U.S.S.R. and major training programs for Soviet technicians are in progress. Whatever the EC's role with East European nations and the U.S.S.R., it is likely that German influence will be paramount in those negotiations. Over time, as the problems in the East grow, we can anticipate escalating friction between Washington and Bonn over the amount of aid and relative contributions, the linking of aid to economic and political reforms, the framework for approving exports of sensitive technology to the East, and indeed the German commitment to a Western Europe with a strong orientation toward more open markets and close trans-Atlantic ties.

VIII

What of the relationship between Japan and Germany? Contrary to stereotyped perceptions, the two nations have never had close ties. Although Meiji Japan based much of its systems of law and medicine on the German model, political links between the two nations over the last two centuries have been almost nonexistent and trade relations have been fraught with friction. Even during World War II there was very little

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practical cooperation. Since 1945, each nation has been preoccupied with its own recovery, with its ties to the United States and with involvements in its respective backyard. To the extent there have been substantive bilateral contacts, most have taken place in multilateral forums like the OECD, the IMF or the annual summits of the major industrial democracies.

As the 1980s end, however, changes are occurring. Lured by the prospect of a unified European market, and worried by growing trade and investment frictions with the United States, Japanese firms have taken an intense interest in Western Europe and have been scrambling to increase trade and investment in the EC. Germany enjoys high respect in Japan for the quality of its labor force and the depth of its scientific and technological capabilities, and the Federal Republic is high on the list of Japanese targets. Moreover, many Japanese executives in business and government are expecting that Germany will eventually become the financial and industrial capital of a consolidated Europe, and they plan their longer-term strategies accordingly.

From a German perspective, however, Japan is seen as far less an opportunity than a threat. For years Germany has run trade deficits with Japan. Now Bonn's dominance in Europe itself may come under some pressure from a growing Japanese presence. The most visible battlefield may well be the automotive industry, where Toyota, Nissan and Honda are set to challenge Mercedes, BMW and Volkswagen, not just in the United States—a critical market for everyone—but in Europe as well, including, remarkably, West Germany. In addition, Japanese banks and securities companies are moving into the EC and into Frankfurt in force, creating new anxieties in many of Europe's financial boardrooms. And while mergers and joint ventures of all types between Japanese and German firms are likely to grow, particularly in industries needing skilled workers and advanced research capabilities, it is a good bet that Japanese penetration will increasingly bump up against political and social sensibilities in the Federal Republic, making for increasing tensions on a bilateral level.

All told, therefore, stronger ties between Tokyo and Bonn are apt to be very slow in coming. For the foreseeable future both are likely to remain much closer to Washington than to one another. Each will attempt to persuade Washington to join sides against the other. For example, Bonn—together with other European nations—would like to join with America to

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pry open Japanese markets, and German and other European technology firms may be leaning toward linkups with their counterparts in America to compete against the big Japanese conglomerates. Tokyo, on the other hand, wants help from the Bush Administration in pressuring Europe not to become a protectionist fortress.

In the end, however, it would be a major mistake to dismiss the pressure that Tokyo and Bonn could exert on the United States—in concert. The notion of a planned "gang-up" may be farfetched for political reasons, historical and current, but the pursuit of similar interests is a good possibility. This scenario would include resistance in Japan and Germany to all manner of American pressure to reduce their financial surpluses, to dismantle their "structural" obstacles to increased consumer demand for imports, or to follow America's lead in global economic institutions and in various regions of the world.

IX

American strategy toward Tokyo and Bonn must start with changes in domestic economic policy. It is an absolute prerequisite for the United States to be both economically competitive and capable of financing its defense needs. Progress on this score will vastly increase Washington's maneuverability with its key allies. Failure will make effective leadership from Washington impossible.

The Bush Administration, to its credit, has pursued an aggressive trade policy. It seems willing to experiment with government-backed industry consortiums to enhance competitiveness, and it has identified the need for American firms to take a longer-term view of their investment strategies. It has also made revitalizing education a national priority.

These achievements, however, are totally undercut by fiscal and monetary policies. The failure of the administration and Congress to get a handle on the budget is likely to lead to growing budget gaps once again. It signifies a basic inability to govern and destroys the credibility of American economic policy at home and abroad. The frequently benign policy toward the dollar promises to aggravate the trade deficit next year, and the public bickering between the Treasury and the Federal Reserve about how to deal with the currency raises basic questions about whether the United States has a policy at all—let alone whether it has the ability to lead the way in global coordination.

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Three initiatives could be pivotal for restoring U.S. economic health. A gasoline tax, for example, could generate $1 billion for every penny increase. An agreement with Japan and Germany to gradually get the dollar on its former downward course via market intervention and coordinated changes in interest rate policy could be the most important step to address the trade and financial imbalances that are growing again. And the movement from rhetoric to actual measures to encourage more savings and long-term investment is a sine qua non for a stronger U.S. economy.

Next, the challenges of Japan and Germany necessitate close coordination in Washington between defense policy and economic considerations. In the past, the United States could use its military position to influence its allies in trade or finance. At other times, it could subordinate business profits to broader political security matters. Today, neither is the case. Defense and economics are equally important. The two areas of policy have to be conceived and executed in tandem.

As a start, there is need to develop a better definition of what constitutes burden sharing, how military and economic considerations can be weighed together. Thinking here has to go beyond adding up military spending and foreign aid and comparing the totals. For example, Japan has worked hard to prop up the dollar at crucial periods. Should Washington include such support for American objectives in the equation of how much international burden and responsibility Japan is taking on?

Despite the economic weight and the growing assertiveness of Japan and Germany, the United States is still the overwhelming global power and has an excellent opportunity now to push its own view about the respective roles and responsibilities of the three nations in the future world economy. Tokyo and Bonn will define their own interests through their own processes, but neither is in a position to take initiatives outside their respective regions.

To succeed, however, the administration must know what it wants. It must have its own vision and goals for the future monetary system, including such questions as the role of the dollar, the yen and the deutsche mark. It must have at least a plausible internal plan of how to settle the trade imbalances. It must have a view of how to channel the enormous Japanese capital outflow. It must be able to define what the IMF and World Bank should be doing in the 1990s, or how to handle

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economic relations between the industrial democracies and the Eastern bloc.

The challenge is to find ways to increase the constructive involvement of Japan and Germany in future arrangements. The separation of the World Bank and the IMF, for instance, may have outlived its usefulness in the world of the 1990s and beyond. The regulatory structure for banking and securities trading around the globe has yet to be fully developed. The General Agreement on Tariffs and Trade (GATT), as structured, cannot accommodate the broad range of domestic polices that affect international trade. The coordination between the monetary authorities of the three key nations is already close, but it could become much closer via the granting of observer status in one another's key central bank meetings. New institutional arrangements are required to coordinate bilateral and multilateral initiatives toward Eastern Europe. In each case there is a chance to fully reflect Japan's and Germany's new powers and obligations.

In addition, Washington could broaden its efforts to press Tokyo and Bonn to move toward more open, flexible consumer-oriented societies. Regarding Japan, for example, the structural trade and investment issues have been dealt with only in a narrow bilateral framework, which is too highly charged by other items on the current agenda. The negotiations need a fresh look with regard to participants, the objectives and proper time frame. And the EC should be brought in to help the United States exert pressure and to inject the true multilateral global dimension.

A new look is also in order when it comes to emerging economic blocs. The administration, after some delay, has awakened to the dangers of a bloc mentality emerging in Western Europe, and is now pressing vigorously for outward-looking policies. However, these are early days in the EC's effort to unify its markets and Washington cannot afford to let up the pressure. On the other hand, the United States may be taking too relaxed an attitude toward the emerging Japanese push for some type of regional grouping in the Pacific Basin. Thus far, Secretary of State Baker has given the idea a strong endorsement in the form of a proposed "framework for discussion." But is this the stuff of well-meaning speeches or does the United States have a specific strategy to counterbalance Japan's economic influence?

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x

As a new decade begins, economic momentum in Japan and Germany is gaining force, while America is struggling with debt, deficits, a shaky financial system and unprecedented social problems. There can be no question that these disparities will lead to growing tensions between the United States and its two key allies.

For Washington, getting what it needs from Tokyo and Bonn in the world economy will be exceedingly difficult no matter what is tried. Nevertheless, for the Bush Administration, the time to reexamine its strategy toward Japan and Germany, separately and together, is now—before the big problems arise.

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Anthony Hartley

AFTER THE THATCHER DECADE

By the time the next British general election takes place in 1991 or 1992, Margaret Thatcher will have been prime minister for more than 12 years. In 1987, after eight years in office, her majority of over 100 seats in Parliament remained more or less what it had been after the 1983 election, a contest held in the aftermath of the Falklands campaign. Until about a year ago the Conservative Party maintained a substantial lead in the opinion polls. By any standard this is a remarkable political achievement—only one other British prime minister, Lord Liverpool, has lasted as long—and the 1980s in Britain will be remembered as the Thatcher Decade.

Is her dominance now beginning to falter? Over the last year there have been signs that the government's support was slipping. Last June the European elections saw a swing to Labour and the loss of 13 Conservative seats, as well as the emergence of a "Green" party. Admittedly there were special circumstances that placed the Conservatives in difficulties in that election. But since then Labour has been running ahead in the polls, usually by between five and ten points, and these surveys have also shown the unpopularity of a number of government policies. Above all, it is the recurrence of inflation and the steep rise in interest rates to counter it, and the sudden resignation of Chancellor of the Exchequer Nigel Lawson on October 26 that have thrown Conservative members of Parliament into disarray and spread discontent among some Tory voters.

Is all this an ordinary midterm swing in government popularity, or is it a chance for the "new look" that Labour has given its policies to have an effect on the electorate, offering Neil Kinnock's Labour Party some hope of victory in the 1990s?

To answer such questions it is as well to bear in mind the changes brought about in British society by ten years of Conservative government. For what is called "Thatcherism" has not been merely a series of political measures. Starting with the aims of stimulating individual effort and enterprise

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and weaning citizens from dependence on the state, it has created, or triggered, a social and economic revolution, the results of which will continue to be felt for many years to come and cannot be reversed by subsequent governments.

II

In the 1960s it was usual for commentators to blame the British class system for the country's apparent inability to modernize itself, for Britain's poor industrial performance and its institutions, which seemed ill adapted to the late twentieth century. In the 1980s Mrs. Thatcher provided a response to these complaints. Under her leadership the Tories have been transformed into an egalitarian, meritocratic party, whose clientele is to be found in an extended middle class that now includes some forty percent of the population and encompasses skilled blue collar workers as well as members of the professions. Gone are the "knights of the shire"—those patrician figures who were once said to control constituency parties in rural England. Under Mrs. Thatcher the old British "establishment," from bishops to trade union secretaries, has lost much of its influence. Its voice is more often to be heard in anguished letters to *The Times* than within Number 10 Downing Street.[1]

In other words, Mrs. Thatcher has created a new electoral following more in tune with an egalitarian postindustrial society than her party's traditional supporters. The political consequences of this can be seen on the electoral map. In the south and in East Anglia, the London inner city apart, hardly a seat is held by the Labour Party. Labour also has very few seats in the Midlands. Yet these are precisely the areas in which there has been economic and population growth over the past decade. In 1984, for example, 52 percent of all employment was found in the southeast, the southwest, East Anglia and the East Midlands. But the 1983 and 1987 elections left the Labour Party with only a handful of seats in these regions. The Labour Party's heartland is largely to be found among the decaying industries and declining population of the north of England and industrial Scotland. It is realization of the fact that Labour must reach out for new types of voters and

[1] Needless to say, these changes have not satisfied the social critics. Those who in the 1960s railed against the class system now sigh for a vanished paternalism. In the same way, progressive social thinkers who once denounced the "tyranny" and "claustrophobia" of family life have switched to calling for a renewed sense of "community."

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produce policies which satisfy their requirements that has led Mr. Kinnock to fight a courageous and grueling battle for new policies and abandon old shibboleths such as unilateral nuclear disarmament and public ownership of industry. He has fought successfully against his own party's left wing, many of whose members would prefer defeat at the next election to the destruction of cherished idols.

This swing to the right in Labour policies has produced a more credible party. It is a tribute to the intellectual dominance enjoyed by Thatcherite ideas during the last decade that Labour should now be offering its own version of a "market" economy. Mr. Kinnock has been helped by the collapse, after the last election, of the Social Democrat/Liberal Alliance—a disintegration that came about through a combination of personal antagonisms and post-defeat hysteria. On the other hand, the appearance of Green candidates might well harm the Labour Party more than the Conservatives, since they could attract protest votes and serve as a rallying point for members of the Labour left who cannot stomach Mr. Kinnock's new policies. However, it would seem to be mistaken to argue that the Conservatives have dominated British politics in recent years because of a "split" in the opposition. In 1987 the votes lost by the Alliance went equally to Conservative and Labour, and, from the beginning, the Social Democrats had more in common with Conservative policies than they did with those of Labour. Essentially, the next contest at the polls will be between the two major parties, with the others playing a much smaller role.

III

At the next election the determining factor will be, as so often, the state of Britain's economy. It was the worsening economic crisis of the 1970s and the contribution made to it by the radicalization of the trade union movement that produced the surge of opinion that brought Mrs. Thatcher to power. It has been mistrust of the Labour Party's ability to manage the economy that has allowed her to remain there. The core of Thatcherite policy has been the stimulation of individual initiative and enterprise, the re-creation of habits of thrift and hard work. In its economic management, if anywhere, success is vital to the government.

Understandably, the degree to which Mrs. Thatcher has effected an improvement in Britain's economic performance is

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a matter of controversy. But that *some* improvement has taken place is beyond dispute.[2] Not everything has been done; Britain in some respects still lags behind its industrial competitors, but there are also quite a number of success stories. Eight years of steady economic growth have been accompanied by increases in productivity, profitability and investment. Stringent financial policies and privatization have increased the efficiency of the state sector of industry and services—in some cases dramatically (e.g., steel)—and removed a huge burden from the public purse. Some three million new jobs have been created, and there has been a steep increase in the numbers of self-employed and new small businesses.[3] This expanding economic base has been reflected in budget surpluses of up to £14 billion, while British overseas investments have been restored to a level second only to that of Japan. The financial institutions of the City of London have been reformed and adapted to the advanced technology and international markets of the late twentieth century.

These achievements did not take place without pain. Not only did unemployment reach three million before dropping, but many more workers were forced to change jobs or learn new skills. The nature and location of British manufacturing industries were altered as new trade patterns, arising out of Britain's membership in the Common Market, had their effect. Mrs. Thatcher's government took the risk of accelerating economic and social change, and by 1987 this seemed to have paid off, despite the increase in political and social tensions caused by the upheaval. Evidence for this can only be anecdotal, but it is significant that intelligent young people are now keen to start businesses of their own rather than looking for "safe" jobs in, say, the civil service. Moreover, the reforms carried out—trade union legislation and the privatization of nationalized industries—met with little opposition. The experience of the 1970s left corporatism and public ownership with few defenders. Although Britain still has some way to go, Mrs.

[2] By far the best and most balanced account of the economic aspects of the Thatcher government is that of Peter Riddell, for many years the political editor of *The Financial Times*. His verdict: "In many respects Britain is a more divided, less secure and harsher society, but it is economically more competitive. The Thatcher government is responsible for helping to provide a powerful and, in many respects, much needed shock to British industry and society." *The Thatcher Decade*, London: Basil Blackwell, 1989, pp. 204–205.

[3] In 1987, for instance, there was an increase of 45,000 new enterprises, allowing for closures. In 1988–89 the start-ups were running at an average of more than 1,300 a week. See Riddell, *Ibid.*, p. 75.

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Thatcher's claim to have infused a new vitality into its economy appeared firmly based. One result of this has been an increased realization among the middle classes of the need to work harder and more competitively.

It was, therefore, a particularly serious matter for the Conservative Party that the economic boom of 1987–88, pushed further by the reduction of income tax in the 1988 budget, should have resulted in a recurrence of inflation. Contrary to the forecasts of Mr. Lawson, inflation rose beyond eight percent. Though it may now have peaked, inflation has only been controlled by a steep rise in interest rates.

This was more than a minor setback. Since it appeared to be the result of a miscalculation, renewed inflation called into question the government's economic management, the competence and financial rigor that were the bases of Thatcherism. Not only that: whereas the stern measures and industrial de-manning of the early 1980s were felt by voters who were not natural Conservative supporters—workers in decaying heavy industries, junior civil servants, local government employees and so forth—high interest rates have hit the middle class beneficiaries of Thatcherism, the young executives who have taken out high mortgages or people starting up new businesses.

There is a parallel between Mr. Lawson's error and the "winter of discontent" of 1978–79 that destroyed the then Labour government's claim to be able to manage the trade unions—a claim on which its appeal to the electorate was based. The Tories have more time to recover: at the time of that awful winter, Prime Minister James Callaghan had less than a year to go before an election had to be called. Mrs. Thatcher currently has three years.

Mr. Lawson's resignation has undoubtedly harmed Mrs. Thatcher's government. The shock of the loss of the minister, who had once been considered a model chancellor and still carried great authority, was bound to throw the Conservative Party off balance and concentrate criticism once again on Mrs. Thatcher herself. It was all too like the 1986 "Westland affair," when nervous tension exploded into anger and the resignation of the minister of defense, Michael Heseltine.

Mrs. Thatcher moved quickly to replace Mr. Lawson in what is widely thought to be a good reshuffle—John Major becoming chancellor and Douglas Hurd foreign secretary. Major's qualifications to be chancellor are reinforced by an outstand-

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ingly successful period as chief secretary to the treasury, during which he managed the difficult business of deciding ministries' expenditures with great tact. Mr. Hurd was a Foreign Office official before entering politics. He is a committed "European," whereas Mr. Major's views as to such matters as full entry into the European Monetary System (EMS) remain obscure.

Despite initial turbulence on the currency exchanges following the Lawson resignation, nothing seems to have changed in the government's economic policy. Mr. Major is still faced with the same problem as Mr. Lawson: to bring down inflation without driving the domestic economy into recession. He will certainly keep up interest rates for the time being, though he may be more inventive than Mr. Lawson and more willing to accept some drop in the pound. But the prospects for Britain's economy remain the same: a hard slog through 1990 with the probability of some good news in 1991. There will be pressure for entry into the EMS currency grid, but even committed Europeans realize that this cannot take place until inflation is brought down. In the meantime, inflation and high interest rates have created a potential rift between the Conservative Party and its loyal supporters in the economically modern sections of the country.

IV

A similar unease has also been aroused among natural Conservative supporters by the direction taken by the government's program of reform since 1987. Proposals to reform education, the National Health Service and the legal system have offended powerful interest groups among the middle classes. Teachers in state schools have always had a leftward bent, but the Conservatives have now taken on university teachers, doctors and the legal profession. These are powerful and vocal lobbies, and it is a mark of Mrs. Thatcher's devotion to her principles that she was willing to challenge them. More than the trade unions these groups might hope to appeal successfully to public opinion. The British Medical Association, for example, has responded with a costly and somewhat unscrupulous campaign of public relations. The BMA, however, may have overreached itself in appearing to claim that only doctors know how to administer the National Health Service and that neither the Ministry of Health nor Parliament should be allowed its own say.

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Similarly, if previous privatizations met with few objections, that of the water authorities has encountered strong Green opposition.[4] The introduction of a new system of local taxation, the "community charge," is also something that any government might have hesitated to tackle, given the amount of controversial legislation on other matters already before Parliament.

It seems, therefore, that the government's decline in the opinion polls owes something to a feeling by voters that the torrent of legislation over the last two years has been excessive, that society has been overoperated by the Thatcher government. This merges with another type of criticism. Mrs. Thatcher's reforms have been carried out in the name of financial discipline and economic dynamism—understandably in view of the seriousness of the economic crisis facing Britain in 1979. But this emphasis on economic matters has made Mrs. Thatcher's policies vulnerable to charges of "materialism" and "lack of compassion" from a number of different sources ranging from the churches and organized charities to representatives of the arts and university research. An example of this type of criticism is to be found in a report by the religious correspondent of *The Times* on the National Conference of Catholic Priests in September of this year: "Individualism was thus seen not as a source of creativity and enterprise, as the government likes to say, but as another name for selfishness and sin."

Behind this steady stream of complaint, most of it coming from what it is fashionable to call "the chattering classes," looms a more specific issue. Now that the government has at its disposal such large budget surpluses, should not some of it be employed in the improvement of public services—transport, health, environment? There are signs that such a demand is beginning to appear among Conservative supporters. Not that the government has done nothing to meet it. Much money has been invested in the national infrastructure during the Thatcher years. But the emphasis has been on getting value for money or inducing the private sector to contribute to the costs. The government's image has, therefore, remained somewhat drably utilitarian.

[4] The Greens fear the introduction of "commercial" criteria by the new private water companies. The government's reasoning is that new private capital will be required if Britain's water is to be cleansed of pollutants and minerals. Until now the public water companies have both sold water and regulated its standards. Now the latter task will be carried out by an independent Rivers Authority.

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Another complaint is that, under Mrs. Thatcher, the practice of government in Britain has become "authoritarian." Civil rights, it is said, have been curtailed, news has been "managed" by the prime minister's office and broadcasting organizations have been under pressure to restrain their left-wing journalists. Part of this criticism is simply caused by the existence of a government that for ten years has had an unassailable majority in Parliament and been able to pass what laws it chose with little chance of resistance or even delay. But it is also true that terrorism in Northern Ireland and its fallout in mainland Britain have caused an inevitable extension of police powers and measures, such as the forbidding of broadcast interviews with members of Sinn Fein, which have led to talk about restrictions on the freedom of the press.

It is probable that the mass of the population cares little about all this. But the impression given is of a strong government that intends to have its way without being too particular about the means. The image of the prime minister presented by her opponents is of a despot who is reluctant to take advice, has destroyed cabinet government and is prepared to treat even her most loyal supporters badly—witness the sad fate of the foreign minister, Sir Geoffrey Howe, dismissed in a ministerial reshuffle this summer. Mr. Lawson's resignation has revived the criticisms of Mrs. Thatcher's style of government. As usual on these occasions, there is talk of revolt against her leadership, although here again it may be doubted whether the voters are as concerned as the political class. The first Market and Opinion Research International (MORI) poll taken after the controversy over Sir Geoffrey's removal showed that the Tory position had actually improved by five points.

Since Mrs. Thatcher has given so strong a personal imprint to her government, such criticism has tended to concentrate on her person and her style. Yet too much should not be made of this. Too often foreign correspondents in London have misjudged the prime minister's political prospects because they relied on such superficial impressions and did not themselves move in the social circles where her support is to be found.

V

In foreign affairs, too, Mrs. Thatcher is often presented as the very embodiment of abrasive intransigence, yet the record shows that most of her negotiations have ended in compro-

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mise. The most striking example of this is the Anglo-Irish treaty, which she as an instinctive Unionist must have found difficult to swallow. Other instances are the agreements on Rhodesia and Hong Kong, the final compromise on Britain's contribution to the European Community budget, and the present renewal of negotiations with Argentina. In fact, Mrs. Thatcher is an extremely able and tough negotiator who will continue arguing until the last ounce of advantage has been extracted from the situation. Indeed, in domestic politics, too, she has often proved willing to try another tack when the line she was taking met with no success. To call her, as Social Democrat politician Roy Jenkins did, "a foolish woman" is to underestimate her. She is, above all, a realist, capable of making a tactical change while preserving the same strategic direction. Had she not haggled in Brussels she would never have succeeded in getting Britain's contribution to the European Community budget reduced. At the Commonwealth conferences her total opposition to sanctions against South Africa has been the only way of preventing decisions that would have been more damaging to the City of London than to Pretoria.

A nationalist, of course, she is. But there is an element of calculation here. Foreign policy in general has little influence on voting at elections, but a proclaimed determination to represent British interests in the most effective way possible is part of a general image of strong leadership that is attractive to the voter. The policy of unilateral nuclear disarmament did the Labour Party great damage, since, while the voters had no special affection for nuclear weapons, they did not like the idea of Britain surrendering its nuclear deterrent while others kept theirs. Mrs. Thatcher understands, and caters to, such feelings. The government is also helped by the prestige she has acquired abroad—the "head of state" treatment given her by Mikhail Gorbachev on her 1987 visit to the Soviet Union probably contributed something to her success in that year's election. Otherwise, foreign affairs has relatively little impact on domestic political controversy.

The exception is Europe. Here is an area where foreign affairs and domestic politics mingle. Britain's membership in the European Community means that a subject of discussion in Brussels may become a political issue at home. An obvious expression of this was the recent Conservative defeat at the European parliamentary elections, when the prime minister's

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objections to the federalist leanings of Jacques Delors, president of the European Commission, threw the party's message to the electorate into confusion—a lack of clarity that was punished by the loss of 13 seats. But even in this case, the question of foreign relations has only a limited effect on domestic politics. It must be remembered that only 36 percent of the electorate voted in the European elections. Many among those would be voters interested in, and approving of, the European Community, who would find Mrs. Thatcher's apparently anti-European stance not to their taste. Those who were more sympathetic to Mrs. Thatcher's qualms about closer European integration might not have bothered to go to the polls.

The future of the European Community and Britain's role in it are matters of political discussion, though the lines of argument are by no means clear. In 1988, in a speech at Bruges, Belgium, Mrs. Thatcher reiterated her commitment to a "Europe of the nation-states," with each country retaining ultimate responsibility for its own affairs and strict limits to the devolution of sovereignty to supranational institutions. This concept of Europe has found no such doughty defender since the days of De Gaulle, and it is not surprising that these views, which, in reality, are a description of the Community as it currently exists, should have upset the heirs of Jean Monnet's idealism. Mrs. Thatcher's is a vision of an "open" Community where free trade and investment flourish between neighbors, without the burden of a centralized bureaucracy trying to legislate for a pan-European state. On the contrary, for those who see the 1957 Treaty of Rome as the first step on the road to a full-blown European state it is natural to attach the greatest importance to the institutional framework that would support such a creation. These different approaches to the Community's future have their practical effects. In international economic relations the British government is more favorable to free trade than any other member-state, whereas those who aim at a closer-knit Europe often see protectionism as a means of building up European industry and asserting a European identity.

The British government took the lead in initiating the Community's much-heralded 1992 program, which envisages the striking down of nontariff barriers between member-states as well as opening the way to Community-wide establishment of financial institutions. But Mrs. Thatcher has rejected Mr.

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Delors' proposals for a "social dimension" to the Community, which she sees as "socialism by the back door,"[5] and is hostile to his grand plan for monetary union that, it is felt, would transfer too many of the present responsibilities of government and Parliament to Brussels. Other countries, too, have their objections to the Delors plan—notably the Netherlands and West Germany—and among its most vigorous supporters are countries where controls on the movement of capital are still in force. The discussion has been paradoxical: those behind cried "Forward!" and those before cried "Back!" Nevertheless, despite a British pledge at the June 1989 Madrid summit of the European Community that the pound sterling should join the EMS grid, there has been much talk of Britain being "isolated" or "missing the boat."

Is there not a contradiction between entering the Community, whose avowed purpose is an "ever-closer union," and refusing to follow when the European vanguard proposes a great leap forward? There are two comments that can be made about this—the first in terms of British public opinion, the second in the context of the present changes in the wider European political conjuncture. First, it is true to say that very few in Britain would be in favor of turning over the essential powers and ultimate responsibility of the British government to European institutions. It is one thing to reply to a poll that one is "in favor" of European unity; it is quite another to accept that the level of income tax or the structure of social services should be agreed in Brussels.

Support for a "Europe of the states" that will remain a "Europe of the states" accurately expresses the limits of the British public's commitment. On this issue the opposition's position is no different from that of the government. Mr. Kinnock may have brought his party around from its previous anti-European policies, but he is unlikely to feel much enthusiasm for the Delors plan, and objections to it were voiced in a speech in Brussels on October 18 by John Smith, the shadow chancellor of the exchequer. Within her own party Mrs. Thatcher is faced with increasing demands for more careful scrutiny and control of European legislation. In Britain there is simply no constituency for the type of European enthusiasm

[5] This is an inaccurate description. Mr. Delors' thinking on social matters is more influenced by the corporatism of Catholic social doctrine than by socialism. Of course, it is nonetheless true that this might mean the return in Britain of the bad old habits of the 1970s.

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that reigns in, say, the Benelux countries. This is a fact of political life, and it will be reflected in the European policies of any British government.

Second, over recent months there has been a sense—perhaps no more than that—that an evolution has been occurring among informed opinion in the United Kingdom as to the future of the European Community. While there is still support, and indeed enthusiasm, for an *economic* Community, there are growing doubts as to the probability and relevance of the final goal of *political* union in the environment of the new Europe that seems to be taking shape.

Changes in Soviet policy and the consequent opening up of Eastern Europe are offering fresh opportunities for the exercise of West German diplomacy and economic power. It is probable that West Germany's attention and activity will be increasingly directed toward the East, with economic expansion and a new deal for East Germany in mind. In that case, the European Community, seen in the 1960s as a sort of economic underpinning for the European end of the North Atlantic alliance, would become a very different body. A Community whose center had moved toward the East and whose membership might include a number of neutralized countries, some of them from Eastern Europe, would not be a body with any inherent political cohesion, and its raison d'être might be seen as a forum for mediating differences between East and West, a shadowy ground plan for President Gorbachev's "common European house," rather than the nucleus of a European state.

This is not the place for fully arguing the probability of these developments.[6] It is sufficient to note that the perception that things are on the move in central and Eastern Europe, and the consciousness of what is implied by West German foreign policy under the guidance of Hans-Dietrich Genscher, are beginning to affect the British view of the Community's future course. For if it is to be simply an adjunct in a process of what Josef Joffe, foreign editor of the *Süddeutsche Zeitung*, has called "the 'Germanization' of East-West relations in Europe," then calls from Brussels and Strasbourg for the devolution of sovereignty sound unreal and not particularly attractive.[7]

[6] I have discussed this in "After 1992: Multiple Choice," *The National Interest*, Spring 1989.

[7] See Josef Joffe, "The Revisionists: Moscow, Bonn, and the European Balance": *The National Interest*, Fall 1989.

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The change in Soviet policy initiated by President Gorbachev has made the future of Europe more hopeful, but also far more uncertain. It has increased the number of options open to Europeans, in particular to the West Germans, but is dissolving the structures that have ensured European stability for over forty years. Mrs. Thatcher's reaction to this new situation has been twofold. She has warmly welcomed Mr. Gorbachev's reforms and his conciliatory international policies—no foreign leader has praised perestroika as highly as she did on her brief visit to Moscow in September—but she has been firm about the need to maintain Western security, criticizing West German opposition to the modernization of NATO's short-range nuclear weapons and expelling Russian diplomats engaged in espionage. It was she who first spotted the importance of Mr. Gorbachev, and she appears to have established a "special relationship" of her own with him. All this amounts to a policy conducted on two levels and, perhaps, on two time-scales. For even if one foresees the dissolution of the Warsaw Pact and a diminished Soviet threat to Western Europe, there is everything to be said in favor of keeping NATO in a state of credible defense as long as possible. The negotiation of the long-delayed postwar settlement in Europe may be coming, and in that case it must be wise to keep Western defenses in repair, if only as a negotiating card.

But in the longer term, within a wider Europe that might include a reunited Germany, would not British interests be served by closer links between London and Moscow? Mrs. Thatcher's deepest instincts lead her to keep close to the United States, even if her relationship with George Bush is not quite what it was with Ronald Reagan. She admires Americans and American society. Nonetheless, within the continent of Europe there might be much to be gained for Britain by bringing in Eastern Europe to counterbalance the predominance of the Franco-German entente in Western Europe. Recently some Conservatives have put forward the idea that Britain might find itself more comfortable in a Europe enlarged toward the East, in which federalist aspirations would be weakened.

Britain's ambiguity toward the European future appears less paradoxical and also, it must be said, more realistic since the onset of Mr. Gorbachev's new policies. It is not so much a reneging on European unity as a hedging of bets by placing some money on another kind of Europe. To reproach Mrs.

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Thatcher for her want of European enthusiasm, therefore, may be to raise a false problem. Britain's "continental commitment" is beyond question. The doubt is to which Europe that commitment may be required.

How does all this leave the "special relationship" between Britain and the United States? In one sense, of course, it will always exist. The quantity of personal relationships, and educational and cultural exchanges, between the two countries do indeed form a relationship that has no parallel elsewhere. The British certainly feel closer to America than they do to any other country apart from Australia, Canada and New Zealand—so close, in fact, that they feel free to criticize the U.S. administration as though they had elected it.

However, the same feelings do not necessarily prevail between governments. During the Carter Administration, relations between London and Washington played a notably reduced role. Zbigniew Brzezinski's memoirs of his years as national security adviser to President Carter hardly mention the United Kingdom at all. Under the Reagan Administration not only were personal relations between the two leaders cordial, but there was a degree of ideological sympathy between the two governments that brought them into agreement. Mr. Reagan did Mrs. Thatcher a great service through his help in the Falklands campaign, and this was repaid when she took the politically difficult decision to allow American aircraft to take off from British bases to attack Libya.

Collaboration in intelligence matters is the most substantial feature left over from the Anglo-American wartime alliance. The onset of terrorism as a method of political protest and persuasion has given new importance to this aspect of their relationship. Britain has supported the United States in its fight against terrorism more strongly than any other country. The same is beginning to be true of the drug war.

The Reagan years saw close consultation between Britain and the United States, expecially as the evolution of Soviet policy under Mr. Gorbachev produced a more fluid situation in Europe. It is significant that Britain's need to purchase nuclear weapons technology should now arouse no controversy in Washington. Indeed, European nuclear deterrence has been given the blessing of the 1988 Iklé report.[8]

[8] "Discriminate Deterrence: Report of the Commission on Integrated Long-Term Strategy." Washington: Government Printing Office, January 1988, pp. 2, 68.

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Will things be different under President Bush? Presumably there will not be quite the same personal rapport with Mrs. Thatcher. In Europe, Mr. Bush has seemed to attach more importance to German than to British opinion, but this is hardly surprising since a major preoccupation of American policy must be to keep the Federal Republic from succumbing to Mr. Gorbachev's lures. Nonetheless, Mrs. Thatcher's close relationship with the Soviet leader will ensure her an audience in Washington under the new administration.

As for the future, it is probable that 1992 and its consequences will produce friction in the trade relations between the European Community and the United States. Britain, however, remains the most convinced free-trader within the Community and, as such, will be eager to settle such differences. Moreover, the more unsettled central and Eastern Europe seem to become, the more it will be desirable for any British government to stick close to America, even if the connection is only on a bilateral basis. A final demise of the "special relationship" would also be a sign of a dangerously diminished American interest in European affairs.

European relations are the most important and the most problematical part of British foreign policy. Other matters—international cooperation against the drug trade or in favor of the environment, aid to developing countries—excite little contradiction, least of all from the present leadership of the Labour Party. Mrs. Thatcher dominates foreign policy as she does domestic. There is a continuing tension between the prime minister's office, which has to pay attention to voters, and the Foreign Office, which has to heed other foreign offices, but this hardly amounts to a divided policy. Under the present government, British policy is complex—partly because it is responding to an increasingly complicated international situation, especially in Europe—but it is not contradictory.

VI

Finally, what can be said about the prospects for Mrs. Thatcher and her government at the next election? Despite all their difficulties, it seems very unlikely that the Conservatives could actually be defeated by the Labour Party, though they might well lose many seats. The present Labour midterm lead is not large enough to be taken as a sign of any grand reversal, nor is there any evidence of a Labour recovery in those "modern" parts of Britain that it would need to carry in order

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to gain a majority in Parliament. Of course, were the government to continue to make the same kind of economic miscalculations it did in 1988, then it might be in bad trouble. In any case, between now and the election it will have to face a difficult economic situation. But provided that the government displays vigor and competence, this need not harm its prospects. The polls show that a majority of the electorate regard the Conservatives as better able to handle economic crises than Labour. The greatest electoral handicap for the Labour Party is the often expressed doubt of the man in the street as to Mr. Kinnock's ability to run Britain's economy.

By the time an election is called, a number of the issues that are putting pressure upon the government now will have become less immediate. Controversial legislation will largely be through Parliament by the end of the coming parliamentary year, and it is hard to keep political issues alive and kicking for more than two years. Doctors and lawyers, school and university teachers will have simmered down by the next election. As for Mrs. Thatcher's authoritarian style, so much reviled in intellectual circles, it is improbable that it will affect the result very much. Those who now regard the prime minister as having reached the limits of public tolerance were saying exactly the same before the 1987 election. Despite the fretting and fuming of the "chattering classes" about recent cabinet reshufflings, Mrs. Thatcher remains an electoral asset, if only because she is the only politician familiar to most voters.

Moreover, it is far too late for the party to make any change in leadership before the next election, short of illness or accident. As time goes on, conservatives will come to realize that in 1988, it was she that was right about inflation, and Mr. Lawson who was wrong. Her standing recovered in six months from Mr. Heseltine's resignation. A post-Lawson recuperation may take longer, but the most likely forecast is that the affair will gradually sink out of sight. Meanwhile, she will have to expend more tact and political skill on her colleagues than previously. Essentially, the future of herself and her government depends on the British economy. If this is in order by the next election the probability is that the Conservatives will win by a reduced margin. If not, then all bets are off—including any on the fate of a future Labour government.

In the ordinary course of events, there must come an end to her spectacular reign. After the next election the Conservative Party will be in for a change of leadership whatever happens.

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If it has a bad time at the polls, then Mrs. Thatcher will have less influence on the party's choice of her successor. If the event is favorable, then her shadow will continue to loom large in the party councils. In any case, after Thatcher, Thatcherism will continue. Any future government must start from what has been done over the last ten years. The "mold of British politics" has indeed been broken, but by the Conservative Party and not the Social Democrat originators of the phrase. Mrs. Thatcher has transformed British politics and society. Whatever happens in 1991, history will hardly deny her that achievement.

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Amos Perlmutter

ISRAEL'S DILEMMA

The protracted and unresolved "Palestine question" has finally come to haunt the state of Israel.

Before 1967 "Palestine" was a geographical expression torn asunder by Israel, Egypt and Jordan. A generation later Palestine embodies a nationalism and community that reawakens troubling questions which an earlier Israeli generation hoped had been settled, or at least indefinitely postponed, on the battlefield.

Israel is now obsessed by this issue. Its liberal culture is threatened by the state's continuing role as an occupier of a foreign people. As a country weary from fighting the first half of a hundred-year war, Israel now finds the Palestine problem to be its principal threat—not only to its external security but to the internal unity of the state.

It took the Palestinians of the West Bank and Gaza two decades to feel their way toward the self-confidence needed for their *intifadeh*. That the uprising came from within Palestine should not be surprising, but it embodies a certain paradox. The Arab generation of 1988 has done something that was unimaginable to their earlier zealots: it has adopted as its own model the spirit and strategy of classical Zionism.

Emulating the Zionist nationalist and social revolution of generations before, the Palestinian Arabs under occupation have not only accumulated social, economic and political power, but have also learned and deployed the guerrilla tactics of the Israeli underground in their march toward statehood.

The uprising has succeeded in gaining the sympathies of ever wider circles in the West. Moralism and emotion have served the Palestinians well, as they did the Zionists after World War II. Small boys with rocks have achieved what Yasir Arafat and his oil-rich supporters in the Arab world long failed to provoke: a genuine revolt in the land of Palestine. West Bankers are seeking from Israelis what they never dared

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to ask for during the 20 years of harsh Jordanian rule from which Israel delivered them in 1967, namely independence.

Israel is struggling now not with the paper tigers of the Arab League whose bellicosity marred Israel's first two decades of statehood. The current struggle is akin to wrestling with a cloud. As a result, the Israeli people are becoming a bewildered and frustrated citizenry. While the Arabs in the present circumstances can stall, Israel must act.

What is Israel's response to this formidable contest? The national electorate did not give the government a clear mandate in 1988 either to annex the occupied territories or to withdraw from them. The formation of a second coalition of Likud and Labor indicated that Israelis remain unwilling to choose between their painful alternatives. And ever since, confused friends of Israel the world over have been confounded with public shows of maneuvering and meandering, with cabinet ministers of the same government but different parties vying for equal time to give foreign leaders their explanations and interpretations. Israelis have been unwilling and unable to summon up a meaningful response to the opportunities presented by the Palestinian revolt.

II

Israel's history has been a constant series of brutal crises, resolved by territorial or military upheavals that have led its citizens to barricade their very minds. The wounds of the Holocaust followed by unceasing Arab aggression have produced the world's only fortress democracy. It is the only modern state—or so Israelis feel—for which a single disaster could spell total destruction.

People who live in a state of constant war naturally yearn for peace; for a nation, security is the equivalent of sanity for an individual. The Israelis' search for security is an obsession, a quest for an almost metaphysical security, even if they know that such protection is beyond their political and military capabilities.

The roller-coaster ride for survival has accelerated since the near-fatal Yom Kippur War in 1973 and the territorial concessions that followed it. The rise of Menachem Begin and the Likud Party, Egyptian President Anwar Sadat's visit to Jerusalem in 1977 and the Camp David accords only presaged the painful invasion of Lebanon in 1982. This inconclusive conflict was so different from the heady triumphs of 1956 and 1967.

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And now the bloody and persistent Palestinian uprising poisons the Zionist dream.

The elections of 1988 had aroused high hopes and expectations for the future of Israeli politics and society. The results disappointed many and satisfied no one. Israelis did not demand that the country's two major political parties reach an unequivocal decision on the path the country should take. It was instead the demands of the smaller fringe parties of the left and right that increased their share of voters, only adding to the paralysis of the Likud/Labor coalition that continued in office. So much for vision.

If recent Israeli history seems bitter, then Israel's overseas friends have not appeared exactly steadfast. The latest instance of backsliding, as the Israelis see it, was the American decision toward the end of the Reagan Administration to institute low-level talks with the Palestine Liberation Organization (PLO).

This stunning about-face came after months of equivocation by Chairman Arafat, beginning with the Palestinian National Council meeting in Algiers in 1988, where he seemed implicitly to recognize Israel and to accept U.N. resolutions 242 and 338 while declaring an independent Palestinian state. For Israel this was old stuff, but for West Europeans it was an epiphany of moderation. If the United States remained skeptical at first, Arafat was alert to the possibilities of working upon world opinion and continued his ambiguous affabilities, which finally sounded benign enough for the United States to initiate talks. Thus was rocked the old certainty of Israeli politics—at least during the Reagan years—that the United States would always hang tough when it mattered.

No serious response has emerged from the Israeli government to this stream of developments.

Through 1988 events moved to challenge the government of Prime Minister Yitzhak Shamir and its status quo policy. First was the *intifadeh*. Next, in the summer, Jordan's King Hussein withdrew his administrative, financial and political support from the West Bank, which then became the PLO's exclusive responsibility. Labor leaders Shimon Peres and Yitzhak Rabin decided to act. Aware of the need for initiative in Israeli policy, Defense Minister Rabin proposed holding elections for West Bank representatives to negotiate a Palestinian autonomy administration with the Israeli cabinet. This election would produce a bona fide Palestinian delegation

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entirely drawn from the occupied territories with which Israel could negotiate. After a heated battle with the Likud members in the cabinet, Rabin prevailed and on May 14, 1989, Shamir accepted the idea that would henceforth bear his name. The prime minister's agreement came only on the condition that the elections would come in the context of the Camp David accords.

In July an attempt by Ariel Sharon, minister of industry and commerce, to derail the Shamir plan was averted by a cabinet decision of 21 to four. The United States viewed the Israeli initiative with encouragement and tacitly accepted it as the basis for future Palestinian-Israeli negotiations. The PLO and the *intifadeh* leaders flatly rejected the Shamir plan when it was first presented. They demanded, instead, international supervision of the election and the participation of the Palestinian residents of Jerusalem, who now vote in Jordanian elections or in Jerusalem municipal elections. Above all, the PLO argued that negotiations must lead toward the formation of an independent state.

As the Shamir initiative appeared to stall, Finance Minister Peres appealed to President Hosni Mubarak of Egypt in September, asking him to exercise his authority as an official party to the Camp David accords. In consultation with Peres, President Mubarak presented an official ten-point proposal of his own—much inspired by Labor Party ideas—to a group of visiting American congressmen, a proposal that was then sent to the Israeli cabinet for consideration.

The key Egyptian points called for a free election under international supervision to be held in the occupied territories, including East Jerusalem, and for Israel to negotiate land for peace and to accept as negotiators two Palestinian activists that Israel had deported from the occupied territories. This point was designed to reassure the PLO that the Palestinian delegation would not be exclusively composed of delegates from the occupied territories.

The differences between the Mubarak plan and the Labor Party campaign platform of 1988 are negligible. The Labor Party registered its official approval of the plan and Egypt's role, amending only the status of Jerusalem's Palestinian voters.

On September 17 the Israeli cabinet took the dramatic step of sending Rabin to Cairo to begin discussions on the proposed plan. Rabin encouraged Mubarak to act as mediator between

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Israel and the Palestinians. Labor also hoped the plan would replace the unproductive American dialogue with the PLO in Tunis, which had failed so far to bring the two antagonists closer together. Mubarak proceeded to invite the parties to Cairo.

The Labor-inspired Mubarak plan guaranteed bitter dispute when it came up for consideration. Likud opposes any form of pre-negotiation lest it dilute the party consensus over the Shamir plan. But at the same time both Likud and Labor shrink from the prospect of another national election in Israel which neither could be confident of winning.

Rabin's role is pivotal. It is reminiscent of Moshe Dayan's role as part of Menachem Begin's first government, when Dayan's extraordinary stature and skill helped produce the Camp David accords and the Egyptian peace treaty. Furthermore Rabin, as minister of defense, is the best guarantee Shamir and Foreign Minister Moshe Arens have that they can continue to block the ambitious Sharon, leader of their party's hawks.

The United States supports the Egyptian initiative as complementary to Shamir's plan. "The Egyptian ten points do not represent a competing proposal," Secretary of State James Baker announced on October 1, 1989. "They represent a means of getting the dialogue established."

To bridge the gap between the plans of Shamir and Mubarak, secret diplomacy similar to the Camp David negotiations is required. Dayan, then foreign minister, was after all a loyal member of Begin's government, not a leader of an opposing party. He was able to modify Begin's resistance. In contrast, Defense Minister Rabin is both a minister in an uneasy coalition government and a leader of the party that opposes Likud. Any of Rabin's proposals resonate with political overtones and have the effect of arousing Shamir's suspicions, making him even more intractable. Shamir could not finally bring himself to accept even the most favorable points in Mubarak's plan.

For its part, the PLO appeared upset by Mubarak's absence of specific references to Palestinian statehood. But on September 22 the Egyptian president issued a statement saying he was "confident" that PLO Chairman Yasir Arafat would eventually accept the ten points. If no compromise on the Mubarak plan is eventually reached, and Likud tries to form a narrow government without Labor to avert new elections, the pressure from the Sharon faction against any negotiations would be

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formidable. Shamir's domination of Likud would dwindle; Rabin, Peres and the Labor Party would be in limbo.

But Mubarak's ideas will not die or fade away. Nor is the Shamir plan dead. The Israeli government and society will be buffeted to and fro over the months to come by all the competing proposals for confronting the Palestinian problem.

III

The real questions facing Israel go unanswered because they are too uncomfortable even to be posed. How much security is enough? Does Israel have *breira* (choice), the slogan of the Liberal bloc, or *ein breira* (no choice), the ideological position of the radical Nationalist bloc?

What kind of territorial arrangement should Israel strive for: a partitioned land as in 1949 or a greater Israel with settlements stretching to the Jordan River? Should Israel sacrifice territory for peace and national unity? What is the future of Zionism, in both its classic and revisionist variations? Should Israel preserve its secular foundations or should it abandon them for medieval, reactionary, Hasidic and Toranic laws that will submerge the traditional secular Zionist vision? Election campaigns inflame these issues but fail to address them.

Polls show that 70 percent of Israelis favor the partitioned state and some form of territorial concessions to the Palestinians, and an overwhelming 82 percent reject reactionary rabbinical laws and integration of the Torah into the statute book. Yet the government remains unresponsive. The majority of Israelis will accept a reasonable accommodation with the Palestinians, yet the ancient insecurity remains, compounded by the total lack of trust in Yasir Arafat.

Israelis also remain suspicious of international conferences as a means toward solving the Palestinian problem. They still suspect that the PLO wants to negotiate for more than a partitioned Palestine, that an international conference is merely a maneuver on the unchanged road to a complete Palestinian state. An international conference, with the United States as an unreliable ally and the Soviet Union as a known adversary, offers only an imposed solution from which America could disengage at the first sign of trouble.

Israel's two major parties and the fringe elements on their respective wings stand in sharp contrast to each other in philosophy, history and ideology.

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For Likud, the chief burden is the ideological baggage of revisionism, which it has carried since the days of Jabotinsky: from the unitary doctrine of complete Eretz Israel, which still defines the essence of the bloc, to the rejection of any Arab independent state in the territory west of the Jordan River. Likud must make the philosophical adjustments necessary to jettison the dogma that Palestine's indigenous population was just a rabble of Arabs. Making these changes will be complicated by the mounting clamor of the radical Nationalist groups on the far right, whose three splinter parties command a very critical eight or nine votes in the Knesset.

Labor is less constrained ideologically, carrying on the tradition of David Ben-Gurion who created a definable, authentic and democratic nation by accepting the partition of Palestine. Ben-Gurion's policy of working with the Jordanians at the expense of the urban Palestinians is to be continued. The party has none of the Likud's commitment to a policy of annexation and population transfer, or to semi-Toranic claims over Judea and Samaria. Labor is a secular and liberal party, pragmatic and flexible. But it appears unable to conceive of a solution to the Palestinian problem that does not place a central responsibility on Jordan. And that nation is now so "Palestinianized" as to be almost incapable of committing itself to any settlement that does not include the Palestinians themselves.

The implicit conflict between the Likud and Labor parties boils down to the logic of Likud's irreconcilable assertion of biblical frontiers and Ben-Gurion's lifelong commitment to a practical modification of Jewish claims, even at the moment of greatest victory, in order to stabilize the Arab world in the enlightened self-interest of Israel. Likud, which simply does not believe in the durability either of Arab regimes or their promises, believes in nothing more stable than an armed cease-fire.

Labor, on the other hand, has committed itself, in the absence of Jordanian cooperation, to ever more intricate initiatives in which it makes the moves for both players and openly toys with variations of the old Allon plan. This would link unilateral Israeli withdrawal from the occupied territory to the establishment of auxiliary settlements that will consolidate Israel's eastern border.

IV

What political and diplomatic moves are then open to Israel? Clearly the present state of affairs between Israel and the

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Palestinians in the West Bank and Gaza cannot be allowed to continue. Endurance and survival have worked to Israel's advantage before, but no one in the Middle East can gain anything by maintaining the status quo, and the risk of a dreadful new war increases with every postponed decision. It is crucial for the Israeli government to respond to the uprising; foot-dragging will only make matters worse and encourage extremists on both sides.

Israel's options in this violent and internationally unpredictable situation range, it must be said, from difficult to disastrous. It could isolate itself behind a refusal to budge and ignore challenges that would concede the arena of world opinion to the PLO.

Likud and Labor alike see that Arafat's swift gambits exploit historical divisions between Israel's left and right that are more pronounced now than ever. Moreover his actions seem to be driving a wedge between Israel and its traditional support among American Jews, antagonizing the intimate relationship between the Israeli and American governments.

Under the current coalition, three Israeli leaders—Peres, Rabin and Arens—have made cautious initiatives toward the weary and disillusioned bureaucracies of Washington and Moscow. In the month of September all three visited Washington to see President George Bush and Secretary of State Baker, who was notably cautious. These trips, past and future, are nothing but a politically necessary ritual. They will bear no fruit until Israel responds to Palestinian goals with confidence and with an independent set of objectives.

Any number of well-meaning and reasonable-sounding solutions for the Israeli-Palestinian conflict have been offered by experts in Israel and the United States. But nothing will come of them unless Israel, the principal and most reliable party for on-site transactions, sets the basic ground rules for the inevitably long and agonizing negotiations that will follow.

First and most significant, face-to-face Israeli-Palestinian negotiations cannot be obtained by decree, but can only follow after gradual diminution of bitterness between these two parties. The negotiating process will entail discarding many cherished illusions, call for many unwelcome decisions and involve endless collisions, false intermediaries and domestic storms. Confidence-building measures must precede fateful decisions for both parties. The election of Palestinian representatives to negotiate with the Israelis will represent real progress.

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Second, it must be made clear to Israelis and Palestinians and, more important, to other Arabs, Europeans and Americans that negotiation is between geographical, not ideological, entities. The first phase is to reassure the indigenous Palestinian population that they will be achieving freedom in their territory and eventually the mastery of it. That resolution must lead in the direction of statehood. There is no other way to stabilize Israeli-Palestinian relations.

Palestinian freedom is in the hands of the Israelis and no one else, for it cannot be fulfilled without the end of their occupation. The genuine Palestine Liberation Organization today is comprised of the leaders of the *intifadeh* even if they are not the leaders of the parent PLO. Twenty years of relative peace with the Israelis have given these Palestinians more than ample time to learn a few hard facts: Israel's existence is inevitable; in any future Arab war against Israel, the Palestinians will be the main victims; the solution to their problem will be a partitioned Palestine; and the price of freedom from Israeli occupation will be their separation from the futile policies of the Arab League.

As long as the Palestinians relate their grievances to the interests of the Arab states or to the Arab League, they will always fall short of realizing their goal of statehood.

Third, negotiations between Palestinians and Israelis must start with an a priori understanding that the end of the process—Palestinian independence—does not constitute an existential danger to Israel. Palestinian statehood must be achieved only in strict conformity with Israeli security. This will entail most complex and detailed Israeli security arrangements that do not significantly modify Palestinian sovereignty.

Limited sovereignty for security is the most hopeful and thus cardinal basis for successful negotiation and conflict resolution. This means that the end of the tunnel for the negotiators now is the same as it was for Israel and Egypt in 1977, namely an exchange of territory for peace. The current communal strife, however, is considerably different from the Egyptian-Israeli conflict. In that interstate confrontation neither party claimed the other's capital or territory as its own.

Nor will a Palestinian state be capable of exclusively maintaining its security and political integrity. Palestinian security must be linked to Jordan and Israel. Therefore the negotiations between the parties must pursue ways to guarantee the security of Israel, Jordan and the emergent Palestinian entity.

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Security, not acreage, must be the foundation of Israel's national interest.

Once a Palestinian state is in place, security can be achieved through an Israeli-Jordanian-Palestinian arrangement. A police force composed of the three parties will protect the Palestinian territory against internal terrorism. It must be assumed that neither Syria, nor its radical PLO clients, nor the fanatic Hamas Muslim fundamentalist movement in Gaza will be reconciled to any Israeli-Palestinian settlement. A Palestinian state will have no armed forces and its sovereignty will be restricted to the conduct of foreign affairs, its security being organically linked to Israel and Jordan. A Palestinian state will be nonaligned in the manner of Austria or Finland.

Fourth, the negotiations should proceed in phases. The PLO empowers the leaders of the *intifadeh* to negotiate now, remaining at arm's length from the process itself. For all its recent rhetoric, the PLO in Israeli perceptions is still an organization dedicated to reducing Israel to some acceptable Arabophil colonialist's ghost-state of 1947.

Fifth—the hardest obstacle to overcome—there must be an Israeli commitment to the principle of military, political and psychological withdrawal from Palestinian territory. Without this, a peace settlement cannot succeed.

So emotionally charged an agenda can only be implemented if unbreakable ground rules are in place. If the U.S. administration blithely ignores those rules, it will seriously harm its role as the one go-between of unchallengeable goodwill to all parties. An American—or Egyptian—plan that preempts the negotiation while confidence-building measures are taking place will be premature and harmful to the process.

What we can expect next, even before formal negotiations start, is a transformation of the political and military disorder into a more hopeful diplomatic offensive. Most immediately, the Israeli containment of the Palestinian uprising will switch from a police mode to one of low-grade conflict, even as some Israeli political leaders open a dialogue with the uprising's leaders. Western diplomats and journalists will probably see a contradiction here, but not the shrewd and wily Arab leaders. Such action will transform the differences between Likud and Labor from the level of ideological argument into an understanding of Israel's basic security needs.

Labor and Likud are already intensifying personal contacts and exchanges with the leadership of the Palestinians on the

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West Bank and Gaza. Secret diplomacy is conducted on a daily basis between members of the Israeli cabinet, including Shamir, Arens and Rabin, and *intifadeh* leaders. A new generation of Palestinians is now ready to be Israel's natural negotiating partner.

v

An international diplomatic offensive, independent of the Israeli-Palestinian negotiations, should not impose the form that those direct negotiations should take. It should not repeat the poor man's Versailles formulated with lamentable seriousness by Peres and King Hussein, and reluctantly supported by Secretary of State George Shultz during the latter years of the Reagan Administration.

But no international conference can convene until the parties on the ground have agreed on an agenda. In Israel it may even be necessary to hold a plebiscite or new elections to determine the country's stand on this issue. Negotiations leading to Palestinian sovereignty cannot be undertaken under the glare of an aggressive international media.

The Shamir/Arens team has modified its attitude toward an international conference. Likud is growing eager to reopen diplomatic relations with the Soviet Union to set the pace for diplomacy. There is some progress in Soviet-Israeli relations represented in the exchange of low-level diplomatic officials between Tel Aviv and Moscow. Israeli leaders hope that President Gorbachev, unlike some of his predecessors, realizes the Soviet Union restricted its flexibility in the region by giving a monopoly of its support to ineffectual Arab regimes. The Soviet foreign ministry *nomenklatura*, however, may still be psychologically unprepared to abandon its rigid insistence on a formally convened international conference. Signals from Moscow are mixed. Elections to the provisional autonomy could modify present Soviet policy.

The United States has a primary role to play in communicating, explaining and interpreting the parties' fundamental requirements; it would become the parties' most trustful and confidential outsider. As an honest broker America would help the parties, at least in the initial stages, to inch toward one another and overcome misunderstandings and prevent stalemates.

The United States and the Soviet Union must be partners in this enterprise. In order to ease the strain at each phase of the

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negotiations, the superpowers must guide their allies toward compromise. America has a special obligation to inform Israel of its dealings with the Tunis-based PLO and with the Soviets. No predetermined forum or agenda should be acceptable or negotiable. The Israelis must warn their American colleagues that the program is workable only with Israel's assent as the strongest, but also the most endangered, participant, and that any American attempt to modify or preempt it will destroy the process.

The role of Jordan is crucial. Without the Hashemite Kingdom there is no starting point for any negotiations. If this sounds hopeless in light of King Hussein's stated determination to stay out of the peace process, it is nevertheless true that no final territorial arrangement can be signed, let alone implemented, without taking Jordan into consideration. Nor can King Hussein afford to stay out of such discussions, although he must be given a decent interval to join them. In any case a U.S.-Soviet partnership with Israeli and Egyptian participation will lure him back, given time and a genuine admission on all sides of his country's indispensability. King Hussein acceded to a desert throne with Palestinian guests as virtual trespassers and he now rules what almost amounts to a Palestinian state. He stands or falls by what happens to the west of the Jordan River.

VI

Any form of negotiation that does not take into account the psychological, intellectual and political contingencies on which the eternal Israeli-Palestinian conflict turns is bound to fail. Thus a premature international conference determined to establish an independent Palestinian state will not be a fruitful intermediary for long. To reiterate, a successful agenda is one with no winners and no losers. It must accept the following assumptions:

—The principal of security; Israel, the Palestinians and Jordan have a common interest in the Jordan River being a "good-fences-make-good-neighbors" security zone. The most stringent and detailed Israeli security measures must be in place.

—The principle of withdrawal; Israeli military occupation must end. In the first phase of withdrawal, no military presence will be allowed except for Israel Defense Forces' enclaves on the river's West Bank, and they would remain

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until further political development of the Arab-Israeli conflict is guaranteed.

—The principle of sovereignty; no independent Palestinian state will be formally established until the Arab League renounces its struggle against Israel, followed by the recognition of Israel by all Arab moderate states; and certainly not until an Israeli-Jordanian formal accommodation is in place. A Palestinian state would represent the end of Arab claims on Israel.

—Whatever communal and religious combinations and arrangements come into being within the city government of Jerusalem, it will never become an exclusively Arab capital.

—The prospect of a long-term Israeli-Jordanian-Palestinian confederation—a coalition of the stable urban states—must be seriously considered and emphasized as the best possible solution to the turbulence of the region.

A more intimate U.S.-Soviet coordination based on mutual unwillingness to raise the stakes and a U.S.-Israeli relationship based on trust will go a long way toward facilitating negotiations. But the United States must also build upon its new contact with the PLO to urge the granting of negotiating authority to Palestinian leaders in the West Bank.

The intrepid men and women of the *intifadeh* have the biggest interest in negotiations toward future stability, and indeed they were responsible for rescuing Arafat's PLO from its moribund state and giving it an opportunity to creep back into the spotlight. It is this Palestinian leadership with which Israel must negotiate on terms of mutual respect. If anything, the current whirlwind activities of Arafat's PLO and its "armed struggle" posture in southern Lebanon will derail any effort toward a final resolution of the Palestinian question; Arafat probably knows this, but dares not acknowledge it.

Nevertheless, there is no security for a divided Israel and there is no substitute for Israel Defense Forces on the West Bank of the Jordan River that can obviate the need for U.S. (Sinai-style) or U.N. troops, until full political stability is attained.

If these proposals seem more advantageous to Israel than to the Palestinians, then the result of the 1988 elections, the nature of the present Israeli government and the apprehensive mood of the nation all dictate that there is no room for mistakes. Israel needs a genuine security arrangement with its

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neighbors, supported by its chief ally, the United States, and legitimized by the moderate Arab world and the international community.

Resolution of the Palestinian question entails decoupling it from the whole Arab-Israeli conflict. Let us not forget that Syria, Iraq and Libya remain in the wings as potential combatants in a more general war, and as weapons get more deadly the region gets no larger. The hostility of Arab states toward Israel remains to be addressed over the years in a less poisoned atmosphere.

A resolution of the Palestinian conflict would have two salutary effects for Israel. The Palestinian cause has always been a rallying cry for other Arab states and a settlement would deprive them of the flag of the homeless. It would also restore Israel's democratic reputation, cement the traditional U.S.-Israeli friendship and rekindle the support of troubled American Jews. It would go a long way toward ending the increasing isolation of Israel caused by the *intifadeh* and Israel's harsh countermeasures.

A troubled Israeli society, politically divided, in search of necessary security, must unburden itself of the millstone of occupation and regain the moral high ground—the historic domain in international politics where the nation's founders consciously meant Israel always to be.

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Shireen T. Hunter

POST-KHOMEINI IRAN

The death of the Ayatollah Ruhollah Khomeini on June 3, 1989, closed a turbulent chapter in Iran's long history and opened a new and still uncertain phase in its evolution as a nation. The passing of the man who branded America as the "Great Satan" also created expectations that a decade of U.S.-Iranian animosity will, in time, come to an end.

In the last few months an indirect and unacknowledged dialogue has begun between Iran and the United States—prompted, unfortuitously, by Israel's abduction of a radical Lebanese Shi'ite leader, Sheikh Abdul Karim Obeid, on July 28, and the subsequent execution of an American hostage in Lebanon, Colonel William Higgins. Despite its tragic auspices, this indirect dialogue has been noteworthy for its largely moderate and unprovocative tone and the efforts of both sides to avoid confrontation and crisis.

These developments bode well for the future of U.S.-Iranian relations. Before any breakthrough can be expected, however, certain trends in Iran must continue and deepen. Similarly, U.S. attitudes will need to develop in new directions and some of the old premises of U.S. policy toward Iran will need to be reassessed in response to the changing scene there.

II

Most observers of Iranian affairs had long expected that Khomeini's death would create a power vacuum in Iran, with intense infighting among its Islamic leaderships. Developments during the months immediately preceding the Ayatollah's death only fueled these expectations. Ayatollah Hossein Ali Montazeri, the designated successor as Iran's spiritual leader, was abruptly and unceremoniously dismissed on March 28, 1989; moderating trends in Iranian politics were reversed amid the outcry against the controversial author

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Salman Rushdie; radical figures appeared to have regained Khomeini's ear and favor.

During this period Iran's leadership was engaged in a heated debate over the reform of its Islamic constitution, focusing especially on the respective roles of the president, the parliament and the prime minister. As it stood, the constitution, especially the division of executive power between the president and the prime minister, had made governing almost impossible.

On one side of the debate stood the proponents of a strong presidency with powers even to dissolve the parliament; on the other stood the supporters of a strong parliament who warned against creeping dictatorship should the parliament's privileges be curtailed and the president assume too much power.

Most observers believed that if the constitutional debate were not resolved during the Ayatollah's lifetime, and the ultimate outcome did not receive his imprimatur, these differences would degenerate into open conflict. Considering that divergences within the political leadership extended into the military and the Revolutionary Guards, the possibility of armed clashes—perhaps even civil war—was not ruled out.

Despite these dire predictions, the transition of power in Iran so far has surprised even the most optimistic of Iran-watchers; the Iranian leadership has displayed unexpected unity and alacrity in filling the political vacuum.

Immediately after Khomeini's death, the 80-member Assembly of Experts, charged with selecting his successor, elected President Hojatolislam Sayed Ali Khamenei as Iran's new spiritual leader by a two-thirds majority. Khamenei received pledges of allegiance from the cabinet, the parliament and the military. In a show of unity, the regular defense forces and the Revolutionary Guards jointly did likewise. To enhance Khamenei's credentials, several prominent clerical figures also recounted how the Ayatollah Khomeini had on several occasions expressed his confidence in Khamenei's leadership abilities.

Meanwhile, Hojatolislam Hashemi Rafsanjani emerged as Iran's prospective chief executive. His presidential aspirations had become quite clear by the fall of 1988, as did his views on constitutional reforms: he favored a strong presidency. Initially the radicals were expected to oppose both Rafsanjani's candidacy and constitutional reforms. Within the murky and ill-defined factionalism of Khomeini's Iran, Rafsanjani had long been labeled a moderate because of his support for

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private enterprise, his misgivings about Soviet intentions, his willingness to improve Iran's relations with the West and his periodic remarks about the possibility of resolving U.S.-Iranian differences.

Then came the frenzy of denunciation of Salman Rushdie in February and March 1989 for the irreverent depiction of Islam in his novel *Satanic Verses*—a frenzy which Rafsanjani joined after some effort to distance his government from the Ayatollah's intemperate death sentence on Rushdie. This brought the radicals back to Rafsanjani's camp, apparently believing they could elevate him to a position of figurehead. With their control of the parliament and the office of prime minister, they assumed they would run the country. Khomeini's death, however, undermined the radicals' strategy, for their support made Rafsanjani the uncontested candidate for the presidency.

The last potential roadblock to a smooth transition involved the political ambitions of Khomeini's son Ahmad. It was speculated that the radicals would use Ahmad as a symbol to advance their own political agenda, and should he decide to enter the presidential race, they would withdraw their support from Rafsanjani. Indeed, had Ahmad Khomeini decided to run for office, he would have been a formidable rival since he represented Khomeini's blood and spiritual legacy. In a culture with Iran's Islamic and pre-Islamic heritage of emphasizing heredity in spiritual and political leadership, Ahmad's family links would have made him unbeatable. If Rafsanjani had nevertheless decided to challenge him, this would have generated the sort of infighting that analysts had long predicted. This situation was avoided when Ahmad—struck by grief at his father's death and fearful of the regime's prospects—lent his prestige and support to the emerging joint leadership of Khamenei-Rafsanjani.

The date of the presidential elections, during which the constitutional reforms were also to be voted upon, was advanced from August to July 1989. Rafsanjani ran virtually unopposed—the only other candidate being a little-known and colorless politician—and was duly elected with an 85 percent majority. Voter turnout was low, however, robbing Rafsanjani of an overwhelming national mandate.

The surprising unity and speed of the Iranian transfer of power reflected acute awareness that any sign of strife or delay would encourage internal and external enemies and would

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endanger the regime's survival. These feelings were reflected in statements like that of Ahmad Khomeini who, in congratulating Khamenei on his election as the country's new leader, said that the unity of the Iranian leadership had blinded enemies of the Islamic regime.

Rafsanjani's election seemed, therefore, a victory for the moderate realist camp. The cabinet he presented to the parliament on August 27 was weighted in favor of those who could be best described as technocratic realists. Its most notable characteristic was the removal of extreme hard-liners from sensitive positions. These included the minister of interior, Hojatolislam Ali Akbar Mohtashami; the equally notorious attorney general, Hojatolislam Moussavi Khoeiniha; and the minister of information and head of the intelligence services, Ayatollah Mohammad Rayshahri. The last named, however, reportedly declined the offer to continue in his position and was appointed to the post of attorney general.

Also important was the removal of Mir Hossein Moussavi, whose office of prime minister was eliminated. Moussavi can best be characterized as a hard-line technocrat who advocated a statist economy. In foreign relations he had long supported expanded ties with the Soviet Union and other Eastern bloc and Third World countries, and he opposed normalizing relations with the United States. Nevertheless, in recent years he had not approved of Iran's involvement in subversive and terrorist actions, which he once complained had had "disastrous consequences" for Iran.

Foreign Minister Ali Akbar Velayati was kept on in the new government. A pragmatic realist, as well as a shrewd politician who survived many twists and turns of Iran's politics, Velayati had tried since 1984 to inject some measure of normalcy into the conduct of Iran's foreign relations. He had also tried to improve the quality of the foreign ministry staff, educating the mostly inexperienced revolutionary youths, who had replaced the old diplomatic service, in the realities of international life. A few hard-liners were included in the cabinet, but even these were not particularly extreme.

Parliamentary debate on President Rafsanjani's proposed cabinet was lively. A group of radical deputies urged him to retain Interior Minister Mohtashami. Many deputies complained that six members of the cabinet were U.S.-educated and thus, in their eyes, suspect in their revolutionary credentials. The foreign ministry, for one, came under vociferous

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attacks by some radical deputies as being a hotbed of pro-Western tendencies, although Velayati ultimately received a respectable vote of confidence.

The difficulties facing Rafsanjani in trying to point Iran's foreign policy into a new direction were evident even before he became president, during the crisis generated by Israel's abduction of Sheikh Obeid and Hezbollah's assassination of Colonel Higgins. To Rafsanjani's conciliatory remarks directed to the United States, not only Hojatolislam Mohtashami but also a potentially far more consequential personality, Ahmad Khomeini, responded by warning against any departure from Imam Khomeini's uncompromising stand. Even Ayatollah Khamenei, Rafsanjani's most important ally, said that he might oppose Rafsanjani in case of any deviation from the Imam's revolutionary principles. This verbal assault on Rafsanjani's position partly reflected the fact that the transition in Iran is still in a stage when every issue is discussed in the context of the Ayatollah Khomeini's political legacy.

Nevertheless, the parliament ratified the proposed cabinet in its entirety, although the speaker, Ayatollah Mehdi Karubi, warned against assuming that parliament would always agree with the president or would relax vigilance against any deviation from the revolutionary path set by the Imam.

Foreign policy is the area where the unity of Iran's political leadership will be most severely tested and upon which it might founder. It is also the area where the radicals are likely to put the most pressure on Rafsanjani. Although the radical faction has lost ground since the death of Khomeini, it would be a mistake to interpret their official eclipse as evidence of lack of influence. On the contrary, although their most prominent representatives have been excluded from the new cabinet—or, as reported of some, refused to serve in it—their point of view is still represented within the bureaucracy and the military, especially the Revolutionary Guards, as well as in major segments of the population. There is also some indication that an informal network is being created among the radicals that may be transformed into an official party with an active and open role in politics.

The radicals have not abandoned the hope that Khomeini's son may still be persuaded to champion their cause. They continue to portray themselves as the true representatives of the Imam's legacy. Moreover, it should be remembered that the emergence of the Rafsanjani-Khamenei axis was not the

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result of a showdown between the radicals and the moderates, ending in an unequivocal victory for the moderates, but rather the product of a broad compromise on the principal elements of Iran's domestic and foreign policies.

Indeed, in the months immediately preceding Khomeini's death and following the Rushdie affair, Rafsanjani had to engage in some inflammatory rhetoric to protect himself against the radicals. Especially notable were his comments that the Palestinians were justified in killing Westerners in retaliation for Israel's actions.

Thus, while Rafsanjani will have a chance to shift Iran in a more moderate direction, he will have serious difficulties if he tries to move too far, too soon, beyond the agreed consensus. Although he has emerged as the most powerful figure in Iran, his authority is not unchallenged—particularly in the parliament. Rafsanjani resigned as commander in chief of the military after his election as president—explaining that he wanted to concentrate on economic issues—and Ayatollah Khamenei assumed that position.

Yet his resignation was probably reluctant, under pressure from his opponents and perhaps even his current allies who do not want to see him become too powerful. Some observers also see this development as a sign that, ultimately, Khamenei may try to act as the balancer between the two factions, much as Khomeini himself did before.

Rafsanjani, therefore, is not poised to return one-man rule to Iran. Rather, Iranian politics will involve much ongoing intra-regime bargaining, national debate and forming and reforming of a consensus acceptable to most of the important actors and their constituencies.

III

The broad consensus that allowed the smooth transition of power in Iran was reached in the spring of 1989 after a remarkably open debate of nearly a year and some interesting gyrations following Iran's acceptance of a cease-fire in its war with Iraq.

The principal points of this debate were not novel, but they had acquired great urgency amid the destruction of Iran's economy, worsening living conditions and growing public disaffection during the last three years of the war. This situation demanded concrete and swift decisions and would no longer permit a policy of drift and paralysis.

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In economics, principal questions centered on the respective roles of government and the private sector, plus the acceptable level of foreign financing of Iran's postwar reconstruction and thus the acceptable level of its foreign borrowing. Closely related was the question of the relative importance of professionalism and revolutionary commitment in economic management. Also in contention was the choice of Iran's economic partners and their impact on Iranian policy.

In social policy, meanwhile, debate centered on the rigidity of application of certain Islamic moral codes and even, to some extent, their interpretation. In foreign relations, the basic principle of nonalignment, illustrated by the slogan "neither East nor West," was not challenged. But there was sharp debate on the choice of Iran's principal partners, especially the extent to which Iran should improve relations with the West. The issue of Iran's ties with the United States was particularly controversial—whether there should be any effort to normalize relations.

Western observers have long puzzled over whether there are significant differences in the thinking of various Iranian leaders—whether, indeed, there are any "moderates" in Iran. This question came to the fore during the Iran-contra affair of 1986–87. U.S. Secretary of Defense Caspar Weinberger expressed the feelings and frustrations of many Americans when he said that all Iranian moderates are dead. The fact is that differences of opinion have always existed within the leadership of revolutionary Iran.

The words moderate and radical do not sufficiently reflect the complexities of Iranian politics; there are different types and varying degrees of both moderation and extremism. Many individuals who started as radicals went through a learning process about Iran's internal realities and the facts of international life. Under the impact of its economic and political problems, and the reactions of the outside world, these people have moderated their views. One such personality is Ayatollah Khamenei, Iran's new spiritual leader, whose positions have gradually become more moderate and realistic. Whatever words are used to characterize the opposing camps, it is clear that the basic structure of Iranian society is marked by deep national dichotomies—between Persian nationalism and Islam, modernization and cultural purity, economic efficiency and social justice.

Those Iranians who can be called moderates have a tradi-

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tional interpretation of Islam that emphasizes such principles as the sanctioning of private property. Thus, they are opposed to government control of the economy and support a central role for the private sector. In social matters, they favor a less rigid application of Islamic moral codes and a more liberal interpretation of Islamic rules. They emphasize competence and professionalism in the running of the country and, with certain exceptions, they favor the return of Iranian technical experts living in exile.

In foreign policy the moderates favor an attitude toward the outside world that is less confrontational than the radicals' view. They favor abandoning subversive and terrorist activities and advocate improving Iran's ties with the West, including, under the right circumstances, the United States. Until recently, the moderates were quite suspicious of Soviet intentions and did not favor close relations with the Soviet Union. During the last year, however, their position has altered because of changes in Soviet policy on a number of issues important to Iran, such as Afghanistan and the Iran-Iraq dispute, and because of consistent Soviet efforts to court Iran.

Moreover, nationalist and statist tendencies are stronger among the moderates than among the radicals: moderates would put Iran's interests as a nation ahead of the pursuit of elusive and ill-defined global ideological aspirations. The moderates' principal constituency includes the business community, notably the bazaar merchants, as well as industrialists, entrepreneurs, professionals and other middle classes.

The radicals, by contrast, have an unconventional or revolutionary interpretation of Islam and highlight its egalitarian dimensions and admonitions against undue accumulation of wealth. Thus, they favor a state-controlled economy, redistribution of wealth and, in general, a greater economic leveling of society. They take a more rigid position than do the moderates on the application of the Islamic moral code, not so much because of religious piety as because they consider any laxity as threatening to bring back prerevolution, bourgeois middle-class cultural values and to undermine Islamic revolutionary zeal. Partly for this reason, the radicals oppose the return of the exiles. Indeed, in 1985–86 when the government was trying to encourage some of them to return, Hojatolislam Khoeiniha said that Islamic revolutionaries would not allow the return of those who had "sucked the blood" of the Iranian people. The notable characteristics of the radicals are vocifer-

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ous anti-Americanism, aversion to expanded relations with the West and the advocacy of better ties with the Soviet Union.

The radicals are divided, however, on the issue of exporting the Islamic revolution and on Iran's involvement in terrorism and subversion. At least in the last few years, the more technocratic types, such as ex-Prime Minister Moussavi, have shown increased awareness of the disastrous consequences of such policies for Iran. But others, such as the notorious Hojatolislam Mohtashami, have remained unrepentant. These differences first came to the fore after 1984 as a result of Iran's growing economic difficulties and political isolation, along with the gradual but steady deterioration of its military position against Iraq. These developments led to the first concerted effort to reduce Iran's isolation and to expand its diplomatic ties. The Ayatollah gave his blessing to these efforts by saying that the lack of relations with other countries would damage Iran. He counseled that even the Prophet Mohammed had established ties with other states, and excluded from this general mandate only the United States and Israel.

Iran's first Western overtures also took place during this period, illustrated by the visit of West German Foreign Minister Hans-Dietrich Genscher to Tehran in July 1984. On the economic front, meanwhile, Iranian officials periodically indicated that the private sector should play a greater role, and there was some relaxing of moral codes. Yet no clear and consistent line was adopted, on either domestic economic issues or foreign policy. In economic policy, indecision and near-paralysis continued as different factions resisted changes of which they did not approve; foreign policy was characterized by parallel and often contradictory signals and sudden shifts.

Three factors explain this situation: the more-or-less equal force of the moderate and radical factions, the Ayatollah Khomeini's unwillingness to come down categorically in favor of one group or another and his insistence on the maintenance of superficial unity within the leadership. Yet the moderates were often disadvantaged because, in many instances, the Ayatollah's feelings and preferences were more supportive of the radicals, although not always for their reasons. Indeed, he only acceded to the moderates' relatively rational reasoning when external circumstances made pursuit of the radical line suicidal and endangered the existence of the Islamic regime. For example, it was only after the moderates convinced

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Khomeini that continuation of the Iran-Iraq War would destroy his regime that he finally sanctioned the cease-fire, although by doing so he said he felt as though he was swallowing poison.

In economic policy the radicals could always count on the Ayatollah to urge the population to endure greater sacrifice in order to maintain Iran's independence. Thus, last winter, when the issue of foreign borrowing was still being debated and after the radicals regained the Ayatollah's favor by exploiting the Rushdie affair, he said that Iranians must choose between "gluttony and independence," thus indicating a preference for the radicals' position of minimum foreign borrowing and of not compromising ideological principles out of economic necessity. Yet Iran's economic and financial difficulties, with their potential for seriously eroding the regime's base of support, increasingly made the radicals' position on economic policy untenable.

By the spring of 1989 a more moderate consensus was emerging on the broad outlines of Iran's economic policy. Economic reconstruction and some alleviation of the people's financial hardship surfaced as the government's first priority. And it became clear that economic reconstruction would require harnessing the domestic base of capital and some foreign borrowing. There is, indeed, a fair amount of Iranian capital that could be invested—provided the government were to give the private sector a freer hand and create a safer environment for business: curbing the activities of revolutionary committees, developing legal safeguards and increasing the confidence of the business community that there would not be sudden changes in government policy. Thus it was agreed that the private sector should play a larger role and that some foreign financing is inevitable. Given the Iranians' bitter memories, going back to the nineteenth century, of the loss of political independence through foreign indebtedness, it was decided that this borrowing should be limited to specific projects with a capacity to generate foreign exchange earnings.

In exchange for concessions on economic policy, the radicals seemed to have exacted a price in foreign policy. This tradeoff was reflected in the severing of Iran's diplomatic relations with Britain in March 1989, in strains in Iranian-West German ties, in the radical change in Soviet-Iranian relations and in the expansion of Iran's economic and trade relations with other East European countries and China.

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Of these developments, the dramatic improvement in Soviet-Iranian relations is particularly noteworthy. The Iranian regime no longer considers the U.S.S.R. as the other "Great Satan." It has concluded far-reaching economic agreements with that country, including joint exploration for oil in the Caspian Sea—and perhaps later in northern Iran—a departure from Iran's historical aversion to Russian involvement in oil exploration in Iran's northern province.

The Soviet Union's political presence in Iran has increased, Iran has adjusted its Afghan policy in a direction more supportive of the Soviet position, and on two occasions—the Rushdie affair and the July-August hostage crisis—the Soviets have acted as mediator between Iran and the West.

In exchange the Soviet Union called for the withdrawal of Iraqi troops from Iranian territory and supported an ultimate resolution of the Shatt-al-Arab dispute along the lines of the 1975 agreement. There has also been considerable speculation that Moscow would ultimately agree to meet Iran's defense needs.

What is important in these new Soviet-Iranian relations is that this policy had the blessing of the Ayatollah Khomeini, who met with Soviet Foreign Minister Eduard Shevardnadze in February of 1989, and thus closer relations cannot be challenged as being against his wishes. Even Rafsanjani, despite his earlier misgivings, had to regularize his relations with Moscow by visiting the Soviet Union in June 1989 shortly after Khomeini's death.

With the post-Khomeini transition, the Rafsanjani-Khamenei team has emphasized the urgency of economic reconstruction, as reflected in Rafsanjani's speech to parliament when he submitted his cabinet for approval. He asked the Majlis whether Iran could be independent without productivity and he answered his own question: so long as Iran had to import its wheat, meat, machinery and even skilled manpower from abroad, it would have neither economic nor political independence. Rafsanjani also said that economic reconstruction would require social reforms—including cultural regeneration, respect for law, educational excellence, greater freedom of expression and more equal treatment for women. He called on those exiled experts who were not "traitors" to return home under "his personal guarantee." He will face stiff resistance in these areas from those who have profited from the near state of lawlessness in Iran and the

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priority accorded to revolutionary zealotry, rather than to professionalism and academic excellence, in granting access to education and jobs. Nevertheless, the activities of the Ministry of Interior to centralize all law enforcement agencies, including the revolutionary committees under its jurisdiction, the creation of a National Security Council under presidential supervision and some efforts at bureaucratic streamlining indicate the government's resolve to tackle these problems.

It is difficult to see how Iran can resolve its economic problems without changes in its foreign policy. Although Eastern-bloc countries, China and some other states do afford Iran a small range of choice, ultimately the economic and technological backwardness of these nations and their financial difficulties make them unappealing partners. Thus, Iran's economic recovery will require access to Western capital and technology; this will not be possible without some prior political understanding. Meeting Iran's military needs will also require an understanding with the West because, in the face of Western opposition, even the Soviet Union may not be willing to sell Iran the arms it desperately needs to redress its inferiority relative to its neighbors.

But Iran's relations with the West cannot improve to the point of allowing significant financial transfers and rearmament without a breakthrough in its relations with the United States. The moderates recognize this fact, but this is also the area where they are most vulnerable to radical pressure and censure. There is also the dark specter of the Western hostages.

IV

How is the United States to regard post-Khomeini Iran, now that the moderate alternative is more than a mere possibility or a vision for a far distant future? As moderates are constrained by the dynamics of Iran's domestic politics from taking bold actions to improve relations with the United States, so domestic politics also limit the U.S. ability to make gestures toward Iran that would strengthen the moderate trend and enable it to resist radical pressures and reciprocate by meeting U.S. concerns.

The most significant constraint on the United States is, of course, the unresolved hostage problem. Morally as well as politically, the United States finds it difficult to take any positive steps toward Iran as long as its citizens are held captive

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by pro-Iranian factions in Lebanon. Yet this reluctance makes it much more difficult for Iranian moderates to gain support for a policy of ending hostility with the United States and of doing whatever Iran can to gain the release of as many American hostages as possible.

America's reluctance goes deeper. Is it wise, many ask, to help the Iranian moderates before it is clear that they are totally in control and have proved their goodwill and influence by freeing the hostages? This trend of thought was clearly illustrated on September 7, 1989, in the petition signed by 186 members of Congress advising the United States to support the Iranian opposition rather than try to help the moderates in power. This resolution was extensively discussed in Iranian media, and the opponents of improved U.S.-Iranian relations pointed to it as evidence of continued American animosity toward the Islamic republic, and thus of the futility of trying to reach a modus vivendi with America.

This reasoning, growing from bitter memories of the Iran-contra affair, ignores the fact that no single personality can determine Iran's policy without first being able to sell that policy to influential political groups and forge a consensus. Certainly, no Iranian personality can be expected to put his political career on the line on the basis of a vague expectation of future American support. It also ignores the impact of Western attitudes on the evolution of Iran's internal politics.

It can be argued that the West's cool response to Iran's overtures in the past, especially during the summer and fall of 1988, helped weaken the moderates' position even before the outbreak of the Rushdie affair. For example, Iran was disappointed in its expectation that, after it accepted the cease-fire and improved its relations with most Gulf states, the West would be less indulgent toward Iraq. Iran soon discovered that it could not hope for any preferential credit facilities from the West, including West Germany, which, among European countries, had had the best relations with Iran.

Yet the behavior of both the Iranian and the U.S. governments during the hostage crisis of July-August 1989, the congressional faux pas notwithstanding, gives some cause for optimism that an eventual normalization of ties may be possible. Indeed, the U.S. approach to Iran under the Bush Administration has been far more subtle than before. A new sophistication is reflected not so much in what the administration has done but rather in what it has refrained from doing.

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For example, after Khomeini's denunciation of Rushdie, the United States expressed support and commitment to freedom of artistic expression, but it did not escalate its rhetoric against Iran. The offer of compensation to the Iran Air victims was also a good gesture. The Bush Administration has acknowledged signs of Iranian moderation. This change in U.S. attitudes has not gone unnoticed or unacknowledged by Iran, as illustrated by President Rafsanjani's remark that the Bush Administration is acting more "wisely" than its predecessor. However, past patterns of thinking about Iran still influence policy in Washington.

Since the Islamic revolution, U.S. policy toward Iran has been preoccupied with two objectives: containing the contagious impact of the Islamic revolution and preventing Soviet domination of Iran.

Until 1983 the Soviet threat seemed to Washington the more dangerous. In that year, however, Soviet-Iranian relations deteriorated, and as the U.S.S.R. became bogged down in Afghanistan, the likelihood of Soviet domination of Iran was reduced. Meanwhile, Iran's success in expelling the Iraqi invaders and its growing involvement in Lebanon, especially its role in terrorist attacks, broadened its revolutionary challenge to the United States.

America's Middle East allies also manipulated the Iranian factor to advance their own goals. Egypt, which wanted to return to the Arab fold, lobbied hard in Washington for a pro-Arab and anti-Iranian policy. At least some Israelis continued to see Iran as a strategic counterweight to the Arab world; they entertained the hope that, after Khomeini's death, the Arab military challenge would force Iran to return to the old tacit understanding with Israel. On the other hand, an increasing number of Israeli experts and politicians have come to regard Iran and its revolutionary Islam as a more formidable threat to Israeli security than the Arabs. They argued that Arab-Iranian animosity created an opportunity for Israel to forge an alliance with moderate Arabs against Iran and to induce them to be more flexible on the Arab-Israeli issue.

This strategy had some appeal in Washington, a formula whereby the United States could please the Arabs without having to antagonize Israel—an appeal partly responsible for the U.S. policy of active support for Iraq in the last two years of the Persian Gulf war. The changes introduced by Mikhail Gorbachev's so-called new thinking and the ensuing improve-

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ment in U.S.-Soviet relations further softened U.S. concerns over the Soviet role in Iran, thus reducing any incentives for reaching a compromise with Iran through the application of a carrot and stick policy.

At a more fundamental level, there has also been a tendency to minimize Iran's regional importance and its significance for the United States. Pointing to the diminishing Soviet threat and using oil reserves as the primary yardstick, American experts argued that the Arab states—and even Iraq alone—were far more important to the United States than was Iran. Iran's military weakness and mounting economic difficulties through 1988 enhanced U.S. unwillingness to compromise—reflecting a lack of understanding of the impact that Washington's attitudes have on the evolution of Iran's domestic politics. During the summer and fall of 1988, the moderates were trying hard to improve relations with the West and to end hostility with the United States, a policy fiercely opposed by the radicals. But they were given little to show for their efforts.

Nor has the United States recognized that its own ability to depreciate the Soviet danger during the 1980s was at least in part due to the Iranian moderates' unwillingness to offer the Soviets any encouragement. Indeed, Iran never played its Soviet card effectively, a failure that contributed to the success of U.S. policy in the Persian Gulf and Afghanistan during 1987–88.

The basic U.S. attitude toward Iran throughout 1988–89 has boiled down to a single proposition: in the post cold war era Iran is no longer important and if the United States waits long enough the Iranians will have no choice but to come back on American terms. If recent changes in Tehran have created new opportunities to begin some movement in the direction of ending U.S.-Iranian hostility, Washington has not fashioned a response. The United States has still not decided whether to wait patiently until Iran comes to its senses and makes the first move, or alternatively to offer incentives to encourage the positive trends in Tehran. Nor has the United States decided how far it can encourage Iranian moderation by adopting a conciliatory stand, or whether the moderates would be better helped by U.S. pressures to show up the bankruptcy of the extremists' policy.

The experience of the last several years offers some guidelines for a balanced U.S. approach that would stand a better chance of encouraging moderation in Iran and of helping to end U.S.-Iran hostility. The following points are fundamental.

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First, the United States cannot hastily dismiss Iran as an unimportant element in the Middle East. Its size, population, resources, and ethnic, religious and cultural links in the Persian Gulf and South and Central Asia make it intrinsically important. The great-power competition in that area long predates the cold war. In this context Iran's policies will have an impact in either helping or hindering U.S. regional interests. Already changes in Iran's Afghan policy may have contributed to recent U.S. difficulties there. Western complacency about Soviet gains in Iran without any countervailing Western presence may also come to be regretted, especially if there were any changes in the directions of Soviet foreign policy.

Second, the United States should not be too complacent that economic difficulties and military needs will force Iran to return on America's terms. While hostile relations with the United States would limit access to Western capital and technology and delay economic recovery, Iran can nevertheless limp along and find other economic partners. The Soviet Union has already become significant economically and others, such as North and South Korea, China, Japan and some European countries, offer alternatives. Moreover, the Iranian national character lends itself more to accepting hardship than to doing what could be interpreted as groveling.

Third, the expectations of a collapse of the Islamic regime after the Ayatollah Khomeini's death have been disappointed, and the prospects of one of the opposition groups gaining power have not improved. Yet there is a moderate alternative in Iran, and the country's acute needs and the death of the Ayatollah Khomeini have strengthened its hand. During the last few months, Iran has been working to create conditions in Lebanon that could facilitate the release of hostages, especially by curbing the most extreme members of Hezbollah. It has, for example, improved its ties with the more moderate Shi'ite organization in Lebanon—Amal—and it has been reported that 70 of the most extreme Hezbollah members are being held in Iran under the pretense that they are pursuing religious studies in the holy city of Qum. These efforts have accelerated since the July-August crisis, though opposition to the policy remains. Under these circumstances, it will be difficult for the moderates to gain support for their policy without offering some concrete and tangible benefits.

Given the lack of other realistic and more palatable options, the continuation of President Rafsanjani's pragmatic evolution

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could be of value to the United States. For example, in view of the radicals' determination to undermine Rafsanjani or at least to censure him, it is inappropriate for the West to demand bold actions from him without offering much in exchange.

Rafsanjani's election has created great expectations among Iranians for rapid improvement in their economic conditions. He has promised more imports of food, medicine and other essential consumer products as well as investment in the country's reconstruction. Failure to meet some of these expectations would undermine him and give the radicals an opportunity to declare the failure of economic liberalization.

To succeed, he will need funds. The United States can sustain its more flexible approach to the issue of Iranian assets without losing that bargaining chip. It could also withdraw U.S. opposition to lending and investment by the World Bank and the International Monetary Fund, or by other Western countries. The option of economic pressures would remain, but such steps would show discreet goodwill and tangibly help the moderates' economic policy succeed.

The United States can encourage the United Nations to press Iraq for withdrawal from Iranian territory, the main stumbling block to progress on the peace talks. It could also discreetly indicate that it favors settlement of the Shatt-al-Arab dispute on the basis of joint sovereignty. This would cost the United States nothing politically with the Arabs, since Iraq's heavy-handedness toward Kuwait and its intervention in Lebanon have revived some of the old Arab fears about Iraq's ambitions.

While the United States cannot turn a blind eye to any Iranian attempts to subvert or dominate its neighbors or otherwise threaten vital U.S. interests, its legitimate role and security interests in such places as Afghanistan and the Persian Gulf should be recognized. The United States must also realize that its own interests regarding Iran's regional role, as opposed to those of U.S. allies in the region with priorities of their own, may not always coincide.

A return to the artificial intimacy that the shah's Iran enjoyed with the United States is neither possible nor desirable for either country. But there is no sound reason why normal and fruitful relations cannot be restored, based on mutual respect. A measured and cautious policy that tries to help the moderates of Iran can do U.S. interests no harm, and may hold the potential of yielding positive results.

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Barnett R. Rubin

THE FRAGMENTATION OF AFGHANISTAN

The withdrawal of Soviet forces from Afghanistan has made clear that the crisis in that country was not only one of foreign intervention but also of the breakdown—indeed, fragmentation—of a state. Having sacrificed over a million lives, the people of Afghanistan today face the unhappy alternatives of a government they reject and a resistance they fear. The turbulence of this once isolated land can no longer be a matter of indifference to a world whose powers have invested so much in the struggle. Five to six million Afghan refugees—more than a third of the country's population—strain the resources of neighboring Pakistan and Iran. The United States and U.S.S.R., having spent years of effort and billions of dollars and rubles, continue to pour in sophisticated firepower. A disaster for the Afghan people, a permanent danger for Pakistan, a serious irritant in U.S.-Soviet relations, the conflict in Afghanistan continues.

Is there a way out?

II

Afghanistan consists of the Hindu Kush mountain range with its fertile but isolated valleys, and the deserts, river valleys and steppes that flank it. The dispersed peoples of this sparsely settled area belong to a variety of ethnic groups, several of which are divided into rival tribes and clans. The dominant group is the Pashtuns, composed of the Durrani tribes from whom came the kings who ruled Afghanistan from 1747 to 1973 and their rivals, the Ghilzais and the eastern tribes, which spill over into Pakistan. There are also Persian-speaking Tajiks and Hazaras, Turkic-speaking Uzbeks and Turkmen and others.

These peoples became the inhabitants of a buffer state

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demarcated by Britain and Russia in the early twentieth century. The state that developed within the boundaries drawn by these imperial powers never developed the capacity to extract sufficient resources from its own territory and population, but instead depended on the financial and military resources it obtained from foreign governments. A tribally based monarchy oversaw a weak administration imposed on a mosaic of peoples not integrated into a common economy or nationality. They retained their local systems of self-government, often tribal institutions, which also provided the basis of popular military organization against foreign invaders or an overweening ruler.

This is not to say that the state had no legitimacy. It derived its legitimacy from traditional forms of representation and consultation, especially with the leadership of the Pashtun tribes; from the incorporation of Sunni Islam into the legal system; and from a history of *jihad* or holy war in resistance to foreign invaders. This legitimacy was conditional, however, on the state's observing strict limits against unwanted intervention in local or private affairs.

Under Prime Minister Mohammad Daoud a modern state funded by foreign aid developed in the 1950s, and a new elite emerged from the state education system. The state relied increasingly on this new class rather than on the tribal elites for performing governmental functions, yet it developed few mechanisms for this stratum to participate in politics. Important elite elements thus became alienated from the tribal monarchy and joined a variety of radical political organizations, from Communist to Islamist (fundamentalist).

The new intelligentsia were sharply divided as well as culturally separated by their education from the highly traditional rural masses. These divisions resulted partly from the Afghan government's policy of maintaining its precarious neutrality by balancing foreign powers against each other: for instance, the military officers were mostly Soviet-trained, engineers were American-trained, and judicial personnel were trained in Egypt's Al-Azhar Islamic University. The mix was explosive, and it eventually blew up.

A military coup in 1973 removed the king, Zaher Shah. His cousin, Daoud, the former prime minister who had resigned in 1963, took power as the president of the Republic of Afghanistan. The pro-Soviet segment of the intelligentsia, including the officers who had led the coup, had expected that Daoud's

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republic would allow them a share of power, but it soon became clear that Daoud had only used them in the service of his own goals.

Pro-Soviet military officers staged another coup in April 1978, killing Daoud. This time they turned power over to a revolutionary council of the People's Democratic Party of Afghanistan (PDPA), a Marxist-Leninist party. The Brezhnev regime, believing that the "correlation of forces" in the world was moving in favor of the U.S.S.R. and that "national democratic revolutions" led by "vanguard parties" were the wave of the future in the Third World, embraced the new Afghan leaders. These leaders' brutality and ill-considered radicalism, however, drove much of the population into its traditional pattern of revolt against overweening central government. They also defied Soviet advice to moderate their policies. The Soviet Union invaded in December 1979 and installed a more pliable Communist, Babrak Karmal, as leader.

The Soviets hoped to stabilize the PDPA regime but succeeded mainly in spreading revolt to previously unaffected regions. The United States, China, Pakistan, Saudi Arabia and others mounted an unprecedented effort to help the resistance. The growing violence of the Soviet counterinsurgency campaign ultimately claimed over a million lives and drove nearly one-third of the population into exile, mostly into Pakistan and Iran, where they provided recruits to the mujahedeen resistance. The Soviet occupation helped the PDPA maintain control of the cities, but it never quelled the rebellion.

Over eight years later, on April 14, 1988, Gorbachev's government agreed to withdraw its troops by February 15, 1989, tacitly admitting its failure to put down the revolt. The United States and Pakistan had previously agreed to cease aid to the resistance as the pullout began, but in the end the Reagan Administration decided against signing such an agreement. Secretary of State George Shultz first proposed a mutual cutoff of military aid by the United States and the U.S.S.R., in a formula known as negative symmetry. When the Soviets refused, the United States announced it would reserve the right to aid its friends in proportion to the aid given by the Soviets to theirs—positive symmetry. The Soviets reluctantly signed the agreement anyway and removed their troops. To the surprise of many, however, the Soviet withdrawal did not leave an isolated regime confronted with a united resistance

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that would sweep it away, but rather a fragmented society that neither accepted the regime nor proved able to overthrow it.

III

With the disintegration of the national framework of state administration in 1978 and 1979, Afghanistan's rural society reverted to traditional kinship or religious groups tied into a new national network of resistance parties.

The local fighting unit of the resistance is a band of men led by a commander. Some commanders who have come to control stable portions of population and territory have emerged as regional political leaders and preside over rudimentary local administrations. Many commanders started their *jihad* before linking up with the exiled political parties, but some had been involved in Islamic movements before the war and had contact with Afghan Islamists who had fled to Pakistan during Daoud's republic. These parties transmit foreign assistance and provide political representation in the international system.

The affiliation of commanders to parties is determined by a combination of patronage, traditional networks, reaction to local rivalries (a commander will join a different party from that of his traditional rival) and ideology. The commanders do not take orders from the exiled leaders. They derive their effectiveness and legitimacy not from party membership but from their ability to function as local leaders acting as intermediaries with outsiders.

Most of the commanders belonging to the country's Sunni Muslim majority are affiliated with one of the seven parties based in Peshawar, Pakistan, which also act as representatives of the over three million Afghan refugees in that country. Since May 1985 these parties have formed a loose alliance called the Islamic Union of Mujahedeen of Afghanistan.

The politics of the resistance have been shaped by both Islamic ideology and the ethnic composition of the leadership. Of the seven leaders of the Peshawar alliance, three are Ghilzai Pashtuns, one is an eastern Pashtun, one is a Tajik, and two are members of religious groups claiming Arab ancestry. In contrast to the elite of the old regime, none are Durranis. Furthermore, the alliance is dominated by fundamentalists, who played only a marginal role in national politics before the war.

The Hezb-e Islami led by Gulbuddin Hekmatyar, a Pashtun, is the most radical of the four fundamentalist parties in the

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alliance. It enjoyed the strong support of Pakistani President General Mohammad Zia ul-Haq and the Pakistani military intelligence apparatus, the Directorate of Inter-Services Intelligence (ISI). The Tajik-led party, the Jamiat-e Islami of Burhanuddin Rabbani, is the main channel for representation of the non-Pashtun minorities within the Sunni resistance. It fields more fighters than any other group. Another fundamentalist party is the Islamic Union for the Liberation of Afghanistan, led by Abd-ur-Rabb-ur-Rasul Sayyaf. It is essentially a creation of Saudi Arabia, which has spent lavishly to establish a foothold for its Wahhabi sect of Islam in the Afghan resistance, even though Wahhabism has traditionally been anathema to Afghans. The three non-Islamist parties are led by traditional religious leaders and have mainly Pashtun tribal bases of support.

The largely Durrani political leaders who dominated Afghan politics during the royal and republican regimes, including the exiled former king, Zaher Shah, have no direct representation in the exiled leadership. Pakistan's rulers held long-standing grudges against the Afghan royal regime, which had pursued irredentist claims to Pashtun areas in Pakistan, and General Zia's government effectively prevented the ex-king or his representatives from playing any role in the resistance. Throughout most of the war the United States subcontracted to General Zia and the ISI the main political decisions about which Afghans to support.

About ten to 15 percent of Afghans are Shia Muslims. They are largely confined to the Hazara ethnic group, whose remote mountain area in central Afghanistan has hardly been affected by the main course of the war since 1981. Its traditionalist *shura* (council) originally dominated the resistance there, but Tehran opposed it and created an alliance of eight radical Shia parties based in Iran. Only two or three have significant followings inside Afghanistan.

In an attempt to give the resistance a more state-like political structure, which would enable it to assume power following the expected collapse of the Kabul regime, the United States and Pakistan pressured the Sunni alliance into convening a *shura* to choose an interim government before the end of the Soviet troop withdrawal on February 15, 1989. But the *shura*, which convened in Rawalpindi, Pakistan, on February 10, failed to produce a broad-based government and exacerbated rather than resolved conflicts among the mujahedeen.

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Iran campaigned vigorously for the maximum number of seats at the *shura* for the Shia, but Saudi Arabia weighed in with huge payoffs to assure that the clients of Iran, its main rival for influence in the Islamic world, received no representation. Zaher Shah's supporters were also refused representation. Seats supposedly reserved for "good Muslims" from Kabul remained empty. The entire *shura* was thus composed of delegates selected by the seven leaders of the Pakistan-based alliance. The ISI controlled the security, and its officers openly attended all meetings. The final decisions about *shura* procedure took place in closed meetings held under ISI auspices. Major disputes were resolved in the office of General Hamid Gul, director of ISI. Saudi money determined much of the outcome of the vote that was finally taken, in particular the choice of the Saudi-backed Wahhabi leader Sayyaf as prime minister of the Afghan Interim Government (AIG) formed at the *shura*.

The *shura* and the events surrounding it intensified several conflicts within the resistance. The exclusion of the Iran-based alliance embittered the Shia in Afghanistan and further alienated Iran from the U.S.- and Saudi-supported Sunni mujahedeen. The choice of a Wahhabi as prime minister and the role of Saudi money, besides alienating the Shia and the Iranians, also intensified the bitter resentment many Sunni Afghans felt at what they perceived as Saudi attempts to buy their loyalty.

This resentment had been heightened by events elsewhere. In the Kunar region, Jamil ur-Rahman, a former commander of Hekmatyar's party, had established a Wahhabi organization outside the framework of the seven-party alliance. He was generously funded and armed by Saudi donors, and several hundred Arab volunteers fought alongside him. He and his followers, especially the Arabs, argued that government-controlled areas of Afghanistan had become non-Muslim territory inhabited by apostates. When those areas were captured, they claimed, Islam required the application of the laws of *futuhat*, or conquest, which provided for the pillaging of property, execution of men and enslavement of women and children. In several areas of Kunar the Wahhabis and other mujahedeen under their influence had executed captured militia members. The hatred of the Arabs and Wahhabis among mujahedeen reached the point where armed clashes occurred.

The *shura* also intensified ethnic conflicts. Rabbani, the

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leader of the only party with a mainly non-Pashtun following, received the second smallest share of votes and consequently a relatively unimportant position in the interim government. He and his followers felt that Pakistan and the Pashtuns had conspired to squeeze them out of power.

The exclusion of Zaher Shah and his supporters alienated them from the interim government. Two days before the opening of the *shura*, on February 8, a group including many elders and dignitaries of the Durrani Pashtun tribes from Kandahar and western Afghanistan (the sector of the population from which the royal family descended) had staged a demonstration in Peshawar in favor of Zaher Shah. Club and gun-wielding militants of Hekmatyar's party broke up the demonstration while Pakistani police looked on.

Finally, the exiled political leaders hardly consulted the commanders. Few commanders attended the *shura* and some of those who did left early in disgust. Once constituted, the interim government did not engage in consultations with the commanders, nor did it offer to recognize local *shuras* as the base of a new representative and administrative structure for the Afghan state. In essence, the new ministers simply asked the commanders to fight in order to put them—the exiled leaders—in power in Kabul.

To gain both international recognition and credibility as a genuine contender for state power, the interim government had to establish itself on Afghan territory. This imperative led to the most crucial event since the Soviet withdrawal, the battle of Jalalabad.

IV

Jalalabad was an obvious target for the Peshawar alliance. Mujahedeen controlled the main highway from Pakistan up to the first ridge outside the city, and they had captured an excellent staging area in the Ghaziabad State Farm. The region's proximity to Peshawar and the ethnic composition of the area (mainly Ghilzai and eastern Pashtun) made it amenable to influence by the ISI and the Peshawar alliance.

The mujahedeen had no general staff to plan such an operation, so the ISI took it upon itself to fulfill this function, probably with the participation of some Americans. The timing of the attack was seemingly influenced by the upcoming meeting of the Organization of the Islamic Conference (OIC), the intergovernmental organization of Muslim states, which

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was to take place in Riyadh on March 13–16, 1989. The apparent goal was to have the AIG operating in Jalalabad in time to request recognition from the OIC and its member states.

The ISI, however, encountered resistance from at least some of the commanders in the area. These commanders argued that further political work was necessary in order to convince the garrison to defect. A direct assault, which they were not sure would succeed, would cause too many civilian casualties. Furthermore, they had little desire to install the government chosen at the *shura*. The ISI and AIG, however, prevailed over the commanders' doubts, and the assault began on March 7.

The mujahedeen overran the key government post at Samarkhel, on the last ridge before the city, and they advanced toward the airport, rendering it largely unusable for fixed-wing aircraft. They also had some initial success in shutting off the road from Kabul, forcing the regime to resupply the garrison by helicopter.

But the hoped-for defections did not materialize, and the resistance began to falter. The regime's air power and artillery inflicted heavy losses on the mujahedeen. The government managed to reopen the road and bring through several large convoys. The mujahedeen rained down artillery on the city, but their relatively light shells, while killing civilians and destroying roads and houses, had little effect on the army's concrete bunkers. As a result, government morale in Kabul soared for the first time since the beginning of the Soviet withdrawal, and the Afghan president, Najibullah, made a hero of the governor of Ningrahar province, who had led the city's defense.

There were many factors, military and political, contributing to the failure of the mujahedeen at Jalalabad. The interpretation most favorable to the interim government emphasized that the Soviets had mounted an unprecedented (and unanticipated) massive supply effort, that the mujahedeen lacked mine-clearing equipment and the artillery for attacking concrete bunkers, and that they were still exposed to air power against which they were, if not defenseless, at least vulnerable. This analysis of what went wrong suggested the need for heavy artillery, mine sweepers and more Stinger missiles.

But equipment and technical training may not have been the key problems. After all, the offensive was partly predicated on the expectation of massive defections, yet it is no mystery why

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they did not occur. It was in the same sector that mujahedeen of one of the fundamentalist parties, led by Yunus Khales, had massacred 74 defectors from the garrison at Torkham in November 1988 and dumped their bodies in tea crates. In the nearby village of Shewa, Arab Wahhabi volunteers and others were reported (by mujahedeen) to have raped and sold women and to have taken videotapes as they cut the throats of captured militia members. Massacres of real or suspected government supporters had also occurred when mujahedeen overran several provincial centers after the Soviet withdrawal. During the battle for Jalalabad itself, Western reporters with the mujahedeen again saw fighters gun down government soldiers who were trying to surrender.[1]

The urban population from which most of the government forces are recruited is disturbed by the heavy hand of Pakistan and Saudi Arabia in the AIG and the resulting preponderance of Islamic radicals among the exiled leaders. They are also increasingly angered and frightened by the seemingly indiscriminate shelling of Kabul and other towns, which has caused many civilian casualties. Most of them adamantly reject the ideology of the PDPA, but they do want to continue the policies of gradual modernization that the fundamentalists oppose.

The marginal role to which Pakistan has confined the nationalist-modernist strand of Afghan politics in Peshawar has ironically strengthened the historically false claim of the PDPA to be the only defender of modernism in Afghanistan. For this reason, nostalgia for the former king has become stronger, even among social groups previously disaffected from the monarchy. The nostalgia is not for the institution but for Zaher Shah's moderate personality and the policies of his government. Most of the urban population would like to combine a more participatory political system, uniting aspects of Islam and Afghanistan's tribal heritage, with continued, voluntary liberalization of social norms. The interim government does not offer them any framework in which they can realize these goals, even if they would be glad to be rid of the PDPA.

Divisions among the mujahedeen, reflecting the AIG's lack of command and control, also crippled the offensive. An attack on a large objective such as a city requires coordination of attacks on enemy supply lines and on the main objective as well

[1] *Newsweek*, Mar. 27, 1989, p. 38.

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as, ideally, on diversionary targets. Yet attempts to keep the Jalalabad-Kabul road closed were hampered by the failure of rival parties to relieve each other in the rotation established by the ISI. The Persian-speaking Tajik mujahedeen north of Kabul abstained from the fighting out of resentment over the treatment of their party, Jamiat-e Islami, at the *shura*. Some of the mujahedeen opposed letting the Wahhabis and Arabs who had come down from Kunar approach Jalalabad, for fear of what they might do.

Attempts by the ISI to organize diversionary offensives elsewhere foundered on similar resentments and fears. The Durrani mujahedeen of Kandahar, like the Tajiks, refused to participate. According to resistance sources, the ISI "covered a table with money" and offered several truckloads of weapons to Kandahar commanders if they would attack the city, but the commanders, concerned for the welfare of their fellow tribesmen in the city and feeling excluded from the Pakistani-sponsored exile leadership, refused. Instead, these tribally oriented traditionalist mujahedeen established a local *shura* that worked out a modus vivendi with the Kandahar garrison.

The interim government was further discredited in July, when violence between rival parties, a frequent occurrence, made the front pages of the world press and created open conflict in Peshawar for the first time. Sayyed Jamal, a commander of Hekmatyar's party, killed 30 mujahedeen of the Jamiat party in the Farkhar district of Takhar province. Five of the victims were killed in an ambush, but the remaining 25 were executed while in captivity. Those killed included several senior commanders of the Supervisory Council of the North, the largest resistance political organization inside Afghanistan, which unites Jamiat-e Islami commanders from several provinces under the leadership of Panjsher Valley Commander Ahmad Shah Massoud. These mujahedeen were returning from a meeting at which Massoud had made plans for an offensive against remaining government strongholds in the region north and east of Kabul. Jamiat claimed that radio communications intercepted in Peshawar showed that, while the origin of the dispute may have been local, orders for the executions came from Hekmatyar's headquarters.

For the first time the other party leaders, led by Jamiat leader Rabbani and AIG President Mojaddedi, openly denounced Hekmatyar, calling him a "criminal" and a "terrorist." Rabbani demanded that those responsible be handed over

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to an Islamic court for trial. Hekmatyar, for his part, charged Massoud with collaborating with Kabul and killing his party's commanders, including Sayyed Jamal's brother. He demanded that Massoud be handed over to an Islamic court as well and announced that he was "suspending cooperation" with the interim government. Meanwhile, Massoud turned his considerable energy and resources to attacking Hekmatyar's strongholds in late August.

In September the AIG and its Pakistani sponsors made another attempt to establish the government on Afghan territory by attacking the town of Khost near the Pakistani border, but even the attack on this smaller objective failed. Massoud announced an offensive against the government in the north in the second week of September, but it ended without taking a major target. An attack in the west against the air base at Shindand also fell short of its objective, and a convoy of over 1,000 trucks was able to reach Kandahar.

By mid-October, near the end of the fighting season, which is terminated by impassable mountain snowfalls in November, neither the AIG nor important commanders had won a major victory since the Soviet withdrawal. The interim government failed to establish itself in Afghan territory. Thus, the Kabul regime has been able to maintain control of the main territorial components of state power in Afghanistan, even though it cannot exercise sovereignty over most of the territory or population.

V

Since no political force has been able to establish a legitimate central power in the wake of the Soviet withdrawal, much of the countryside is under the de facto rule of local authorities or in a state of anarchy. Commanders continue to control most of rural Afghanistan. While some areas are torn by conflicts among rival fighters, in others the mujahedeen have established local *shuras*. These representative (although not democratic) bodies have the potential to serve as the basis of a new form of organization for the Afghan state. Najibullah has offered to recognize them as local authorities, permit them to keep their weapons (not that he has much choice in the matter), and provide them with aid, without even requiring them to recognize his authority formally. It is a testimony to the strength of the Islamic ideology and the hatred inspired by the PDPA's record of terror and subservience to the Soviet

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Union that so few have accepted his offers, even though they are more generous than anything the AIG has proposed to them.

Other portions of the countryside are controlled by government militias, a form of organization that emerged from the Soviet counterinsurgency strategy and developed further as part of the Afghan government's policy of national reconciliation. Many of these militias originated as mujahedeen fronts and subsequently changed their allegiances, although they generally have not joined the PDPA. They are exempted from government programs they find objectionable, often even conscription, and the government at least initially does not reestablish a state administrative apparatus in the area. Their basic responsibility is to keep their area clear of mujahedeen, and especially to keep open any major roads used by the government. The mujahedeen they oppose are often members of their traditional rival group. The militias' relations with Kabul are similar to the commanders' relations with the exiled parties. Their affiliation is based on patronage and opportunism, and they are subject to pressure and influence, but not hierarchical command and control.

The PDPA-led government has greater coherence than the resistance, but it too is strained. The party, founded in 1965, split into two antagonistic factions in 1967 and reunited under Soviet pressure a decade later. The two factions, Parcham and Khalq, have different social bases, and are in turn split into sub-factions loyal to different leaders and based in different parts of the state apparatus. Najibullah, who took over the party leadership in May 1986 at Soviet insistence, has succeeded in reducing factional conflict. Such conflict is muted, not gone, however, and it could resurface at any time. Most important is the conflict between the Khalqi-dominated army and the Parchami-dominated secret police.

The PDPA-dominated government maintains tight control over Kabul and a somewhat looser presence in most other major towns and regional centers. It has direct control over much of the flat steppe area adjacent to the Soviet border and can usually travel most of the main highways. Kabul has access to, although not direct control of, the areas controlled or patrolled by militias.

One-third of Afghanistan's population are international refugees. The vast majority live in Pakistan and Iran, where they are subject to a kind of dual control, shared by the host

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governments and the resistance parties recognized by the host governments. In Iran the parties seem to be much less involved in refugee administration. The Pakistani government, however, holds the parties responsible for the refugees. Each refugee family or individual must belong to a party that vouches for them before they can qualify for registration and assistance. The parties are also responsible for the security arrangements in the camps.

Thus, no political entity of Afghanistan enjoys anything close to a monopoly on control over the territory and population, the basic criterion for a state. The Soviet- and American-led alliance systems are each supplying weapons, but the Kabul regime retains a substantial advantage since it is the only party with armored carriers, an air force and consistent access to a road network.

The result is what *The Far Eastern Economic Review* called "Back to Feudalism." As in the period prior to the shaky consolidation of the Afghan state a hundred years ago, military-political commanders hold regional bases of power to which the central state has little or no access. The state can negotiate with or fight against these centers, or play one off against the other, but it cannot govern them. The local rulers also exercise power precariously and are often subject to debilitating local conflicts, of which the battle between Hezb and Jamiat in July is only the most publicized. None of the political forces contending for state power has an adequate program for resolving tribal and ethnic competition, which has only increased since the Soviet withdrawal.

VI

All major international and regional powers say that they support a political settlement providing for a nonaligned Afghanistan, the return of refugees and an end to the civil war. The combined effect of their policies, however, has been to perpetuate or aggravate the current situation.

The Soviet Union is continuing to mount an unprecedented supply effort. The U.S. government estimates that since the withdrawal there have been 25–40 flights a day, which had brought in nearly $2 billion in military equipment by mid-October. The air bridge also ensures adequate food and fuel for key party and government personnel, who obtain their food through ration cards redeemable at restricted shops, similar to those in the U.S.S.R. The military supplies include

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weapons such as Scud-B missiles and MiG-21 jets. The United States claimed in October that Soviet "advisers" were working at Scud missile bases in Kabul. The Soviets have also continued their efforts to strike economic agreements directly with Afghan provinces and communities, especially in the north.

The Soviets support a process of negotiation among Afghans aimed at setting up a "Government of National Reconciliation." They insist that the PDPA should be a part of such a process, a demand that all elements of the resistance reject. There is, however, a tentative compromise formula for the inclusion of "good Muslims" from Kabul, such as non-PDPA government officials. While the Soviets agree that the end of such a process might be the replacement of the current government, they have rejected the demand of the United States and Pakistan that Najibullah resign as a preliminary step. Gorbachev has reversed his earlier rejection of negative symmetry, or a mutual halt in assistance to both sides. He now advocates such a halt as part of a package including a cease-fire, an international conference on the neutralization and demilitarization of Afghanistan, and intra-Afghan negotiations over a new government.

The United States now opposes negative symmetry, ostensibly because the Soviets have created a new imbalance by supplying high-technology weapons and massive stockpiles since their withdrawal. Washington's lack of interest in exploring Soviet offers to negotiate these questions implies a different motivation, however. The original U.S. offer of negative symmetry was apparently based on an intelligence estimate, since proven wrong, that the Kabul regime would fall quickly. The United States now seems to want to encourage its clients into greater military successes, if not outright victory, before renewing negotiations.

The United States continues to support the interim government as the core of a new government for Afghanistan, and it insists that Najibullah must resign before the beginning of negotiations on a political settlement. The U.S. government seems to define an acceptable political solution as one in which the current government is replaced by a "broadened" AIG, despite the failure of the mujahedeen to create the military conditions for the success of such a demand.

The United States has continued to supply weapons for the mujahedeen. There are many claims about supposed halts or delays in the American arms supply. Congressional supporters

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of the mujahedeen attribute such delays to either managerial incompetence in the CIA or a deliberate policy based on the mistaken estimate that the Kabul regime would collapse on its own soon after the Soviet withdrawal.[2] After August 1989 weapons deliveries reportedly accelerated, although the highest estimate of their value is about $600 million a year, far less than Soviet supplies to the other side.

The United States told the resistance parties that cooperation with the interim government was a condition for receiving aid. Hekmatyar's announcement that he was "suspending participation" in that government as a result of the conflict with the Jamiat party revived the debate in Washington as to whether he should continue to receive arms (although he continues to receive aid at least from Saudi and other Arab sources). The United States decided to stop payments to the parties for running their separate offices and to attempt to transfer weapons directly to effective commanders inside Afghanistan.

The latter step faces great obstacles, as the parties control the existing logistic channels, and the actual transfer takes place under the auspices of the Pakistani ISI. Moreover, simply supplying arms directly to the commanders without a political framework capable of bringing at least the main ones together will accentuate the existing fragmentation rather than create an alternative to the PDPA.

Since the withdrawal of Soviet troops, Pakistan has two main concerns. Some there would like to see the establishment of an Afghan Islamic Republic allied with both Iran and Pakistan, giving the latter "strategic depth" in its confrontation with India and acting as a bulwark against rather than a conduit of Soviet influence. This goal, popular in the Pakistani military, is consistent with the American policy of promoting the AIG. To this end, the Pakistani military has supported the continued resistance efforts to establish the AIG in Afghanistan.

The unanimous concern of Pakistanis is the creation of conditions in Afghanistan that would allow the refugees to return. Advocates of the present policy in Pakistan argue that the refugees will go back only if there is an Islamic government in Afghanistan. Others say the present strategy has little

[2] See for instance "Afghan Endgame: The CIA Has Bungled It," *The Washington Post*, Sept. 10, 1989; and "U.S. Leaves Rebels 'in the Lurch,' Afghan [Hekmatyar] Says," *The Washington Times*, Sept. 19, 1989.

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chance of succeeding and that the refugees will go back as long as they can enjoy reasonable physical security and noninterference from Kabul.

Under Prime Minister Benazir Bhutto, the Pakistani government has been divided and its position precarious. In constant danger of losing the support of either a parliamentary majority or the U.S. government, Bhutto has not dared to take any independent initiative. The military, still a potent force, has greatly benefited from the current policy. At a September 13 press briefing, however, Army Chief of Staff Mirza Aslam Beg gave indications that the military was rethinking its views on a political settlement, but he reiterated opposition to the participation of Zaher Shah.

Saudi Arabia and Iran are each committed to supporting the groups in Afghanistan that follow their respective (and antagonistic) versions of Islam. This means that one of the major objectives for each is limiting the influence of the other. The Saudis succeeded in obtaining a strong position for their allies in the AIG, which means that they are allied with the current U.S.-Pakistani position. The Iranians, in reaction to the exclusion of their Shia client parties, have made accommodationist moves toward Najibullah and the Soviets, such as advocating a political solution based on negotiations between the mujahedeen and "non-Communists" in the Kabul regime, even without the prior resignation of Najibullah. Saudi Arabia and Iran have been united in opposing a role for Zaher Shah; to the Saudis he represents secularization, and to the Iranians he represents the principle of monarchy that their own revolution opposed.

VII

The central problem is whether there is a way to reestablish legitimate, though necessarily weak, national government in Afghanistan. None of the current contenders for power can do so alone.

The PDPA under Najibullah might be able to remain in power in Kabul and to reach open or implicit deals with commanders in different areas of the country, but it will not be able to claim their allegiance. While some order might gradually be established in this way, it would remain grudging and precarious. Many refugees would not risk returning, power would remain highly fragmented and reconstruction would be difficult.

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On the other hand, there now seems little chance for a military victory by mujahedeen forces over Kabul. The commanders show no sign of moving toward unity or coordination on a nationwide basis, and seizure of Kabul by either a major commander or the interim government, even if it were possible, would be more likely to precipitate a new round of civil war than to resolve the conflict.

A member of a prominent tribal family who served the royal regime as a diplomat and led his tribe in the *jihad* recently remarked: "Power in Afghanistan has broken into very small pieces; we must gather these pieces together." A traditionally fragmented society, Afghanistan also has traditional methods for overcoming fragmentation in time of crisis. Such a political process, based on a combination of tribal-ethnic, geographic and political representation, may be able partly to bypass the ideologues of Peshawar and Kabul and reconstitute a legitimate state.

The current situation, however, is more intractable than past episodes of revolt and disintegration in Afghanistan. The fact that both the state and the regional powers are now mobilized around antagonistic foreign-sponsored political ideologies, in addition to the traditional pole of conflicting ambitions, makes resolution especially difficult. Any one of four or five foreign governments could use its clients to torpedo an initiative it opposes.

Hence, restoration of stability in Afghanistan will require above all agreement by outside powers to disengage and promote stability. Withdrawal or destruction by the Soviet Union of sophisticated weapons and an agreement by the Soviet Union and the United States to cease shipments of weapons to their clients (negative symmetry) would be the most important components of such an agreement. The United States would also have to assure that Pakistan and Saudi Arabia would similarly refrain from arming their clients. War-weary Iran would probably go along if it were sure the Saudis would also keep out. Such an agreement, however, must be tied to a commitment by these powers to accept the outcome of an Afghan political process. The United Nations has been engaging in quiet consultations in an attempt to promote such an international consensus. U.N. officials also hint that the international actors could offer positive inducements to the Afghans, such as firm commitments to aid reconstruction tied to a political settlement.

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With such an agreement by external forces, Afghanistan's traditional processes of negotiation might have a chance to work. A key to the process is the involvement of the most prominent relatively neutral and prestigious Afghan political figure, Zaher Shah, who could attract support from refugees, most (though not all) mujahedeen, and the non-PDPA majority of those who now find themselves on the government side. A close adviser and relative of the former king has prepared a proposal for the composition of an updated traditional gathering, known as the *Loya Jirga*, or great council. His plan includes only 27 representatives of the PDPA and Kabul regime in a gathering of over 800. Much of the resistance would probably accept such a role for government figures not directly involved in crimes of the occupation, and the Soviets have also indicated interest in this plan.

Who could organize a *Loya Jirga*? Aware that the institution of the monarchy no longer commands the loyalty of most of his compatriots, Zaher Shah has declined to convene a *Loya Jirga* unilaterally. According to the proposal mentioned above, Zaher Shah could function as an elder member of a group of about 60 distinguished Afghans without strong partisan affiliations, including legal experts. This expert group could engage in consultations with all parties about the composition and terms of reference of the *Loya Jirga*. The United Nations could provide the resources needed to carry out its mission. A related plan being developed in the U.N. secretary-general's office calls for the extension of the international consensus on Afghanistan mentioned above. This initiative would have the main foreign powers involved call on all Afghans now in opposition to Kabul—the parties in Peshawar and Tehran, commanders, refugees, Western emigrés, the ex-king—to send delegates to a *shura* of about 100 people. This *shura* would then choose a delegation of about ten, which would be granted authority to pursue any measures aimed at a political solution, including the calling of a *Loya Jirga*.

Most of the discussion about reconstituting legitimacy in Afghanistan has focused exclusively on the future national government. All significant political forces in Afghanistan now state that they favor national elections as a way of choosing the government, but it will be a long time before a state emerges that represents a broad enough consensus and has enough administrative capacity actually to carry out elections and assure that their results are respected. While some national

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elections have been held in Afghanistan, they have never determined the distribution of power. Despite the lack of other effective legitimation formulas, elections are not likely to settle national issues in Afghanistan any time soon.

Hence, two questions dealing with basic structures of the state that might persist through turmoil are important: the relation of the state to the segments of the society and the structure of the armed forces.

The emergence of parties and local administrations based on local and regional structures provides an opportunity to restructure the state on a more representative, perhaps federal, basis. The new state could incorporate the structures that have emerged from the resistance by providing for district and provincial *shuras*. These representative *shuras* should also be granted administrative powers over reconstruction and local economic development, as well as powers in fields such as primary education and others.

The structure of the armed forces could also reflect this more representative structure. Rather than a centralized force aimed at asserting the dominance of an exclusive center over the periphery, the army could mainly concentrate on preparing to mobilize the population for defensive *jihad* against future foreign invaders. Mujahedeen and militia could be incorporated into such a force, and the legacy of the resistance might be turned into nation-building rather than fragmentation.

If such a result is the best we can hope for, it is not the most likely we can expect. Whatever peace plan is tried, ten years of warfare have left a legacy that will be hard to overcome. The nearby example of Sri Lanka, which descended into the worst period of chaos and violence in its history after the signing of a peace accord, stands as a warning. But pouring more firepower into a fragmented society is not the way to rebuild it.

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Pamela Constable
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CHILE'S RETURN TO DEMOCRACY

Chile once boasted a longer history of stable democratic rule than most of its neighbors and much of Western Europe. Now it is the last major country on the South American continent to return to civilian government after a wave of authoritarianism. In December Chileans will have elected a new president after 16 years in the formidable grip of General Augusto Pinochet Ugarte. That election should set U.S.-Chilean relations, plagued by a history of intervention and mistrust, on a more constructive, cooperative course.

Chile's transition to civilian rule has been remarkably smooth, despite several anxious moments. In a plebiscite on October 5, 1988, the people rejected Pinochet's bid to remain in power through 1997. The dictator conceded his defeat, opening the way for presidential and congressional elections, rather than clinging to power by force. Slowly the nation's tradition of democratic politics has reemerged, turning back the regime's attempt to uproot the system of partisan politics forever.

What explains this success? The credit goes not so much to Pinochet, who had become as addicted to power as Noriega or Duvalier, and had every intention of remaining in office for a quarter-century. But his ambitions were thwarted by two elements. First, Chile's deeply rooted democratic and law-abiding political culture has survived 16 years of repression. During the transition, government opponents across the spectrum have proven themselves capable of uniting for a common purpose and have resisted radical behavior that might jeopardize the return to civilian control.

Second, the armed forces have remained highly disciplined,

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professional and uncorrupted despite unprecedented proximity to power. Sworn to uphold the transition formula envisioned in their own 1980 constitution, they vetoed any suggestion of illegal or forceful intervention to retain political control when their own commander in chief was defeated at the polls last October.

Of equal importance to assuring a smooth transition is Chile's current economic stability. While first-term civilian leaders in Peru, Brazil and Argentina inherited severe economic and political problems, the Pinochet government's macroeconomic policies have placed the country on an exceptionally sound fiscal footing. Inflation has steadied at 13 percent, export earnings have nearly doubled since 1985, deficits are under control and clever debt-equity swaps have reduced the $20-billion foreign debt by almost $2 billion. Although these gains have come at the cost of painful cutbacks in social spending and severe wage restraints, Chile's populace of 13 million, with a large middle class and relatively low levels of extreme poverty, is better off than most of its South American neighbors.

The path back to civilian rule has been long and frustrating for Chile's democratic forces, but the dire predictions by both sides that last fall's plebiscite would collapse in a cycle of protest and repression did not come true. The hodgepodge of opposition parties, reluctantly accepting a transition formula designed to favor Pinochet, overcame years of squabbling to unite in a successful campaign against the dictator. The voters, displaying enormous civic maturity and patience, turned out in record numbers (90 percent of eligible voters) and quietly handed Pinochet a 55–43 percent defeat.

The regime, haughtily confident of victory until the last moment and then boxed in by its own effort at political engineering, had no stomach to thwart the will of the populace in order to keep an unpopular dictator in office. Since then, both sides have made further concessions, such as agreeing on reforms to the 1980 military constitution, tacitly acknowledging that the time has passed for ultimatums of either an authoritarian or a socialist nature.

Polls indicated that the new Chilean president will be a man of democratic moderation. Opposition candidate Patricio Aylwin Azocar, 71, is expected to defeat the regime's candidate, former Finance Minister Hernán Büchi Buc, 40, by a comfortable margin, and his broad coalition of 17 parties should gain

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a majority in Congress in the December 14 elections. A law professor, longtime Christian Democratic Party leader and former president of the Senate, Aylwin seems an ideal transition leader. Serene rather than charismatic, expressing concern for poverty and human rights while endorsing much of the regime's free market economic model, he is a reassuring figure for a society still uncertain and divided after the coup of 1973 and 16 years of dictatorship.

Despite the promising transition prospects, several serious problems loom on the horizon. Pinochet is attempting to limit the power of the future democratic government by creating autonomous institutions, headed by his own appointees. The armed forces, deeply distrustful of civilian leadership, will strongly resist any attempt to prosecute them for human rights abuses or to amend the 1980 constitution significantly.

Another troubling issue is the disarray of the political right. Its likely defeat in the presidential and most congressional races would leave conservatives weak and tempted to resort to nondemocratic measures. Also, Chile's economic success has not been evenly shared, and the new government will feel increased social demands from a population that expects democracy to bring improved living standards.

Finally, Aylwin's coalition could break down within several years, as parties that buried their differences to defeat Pinochet and win the presidency begin to compete for their share of electoral power, placing new strains on the political process.

But there is an overriding reason for confidence in Chile's future stability: the paradoxical fact that the transition falls far short of the ideal sought by each major political actor. No one, from Pinochet to the Communist Party, was able to impose an absolute vision of change. Instead, each group has been forced to make concessions and compromises, to relinquish utopian dreams in order to achieve incremental progress, and to recognize that both the country and the world have changed. Today, it is extremely unlikely that Chile will return to the extreme polarization that led to the violent collapse of democracy in 1973.

II

For the military regime and its civilian supporters, the outcome of the 1988 plebiscite was a shattering defeat. For Pinochet, it meant clear personal repudiation by voters from

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whom he had expected gratitude, and the end of an illusion that he could control the destiny of "his" country until death. For the armed forces, it meant the failure of their cardinal goal: to render partisan politics obsolete and replace them with "protected democracy"—a smooth, vertical relationship between individuals, intermediary groups and the state.

Military leaders had blamed Chile's troubles not only on the Marxist government of President Salvador Allende Gossens, which they overthrew on September 11, 1973, but on democracy itself, which they viewed as a showcase for venal, self-serving demagogues, incapable of defending the country against leftist subversion. Once in power, they repressed all vestiges of the old system—persecuting political and labor leaders, purging universities and bureaucracies—and sought to build a new system above the fray of party politics, based on a new constitution that envisioned a strong president and a tutelary role for the military. They also drastically reduced the state's economic role and promoted free market policies, believing the stimulus of dynamic new enterprises could replace the appeal of ideology and partisanship for a new generation of Chileans.

In planning the transition to civilian rule, officials designed a legal process they were certain would guarantee their policies a firm foothold in the future. The military constitution called for Pinochet and the other three armed forces commanders to designate a new president to serve from 1990 to 1997, subject to ratification in a yes-no plebiscite. To no one's surprise, the dictator imposed himself as candidate, warning that communism, chaos and economic ruin would return if he were defeated.

Regime officials were convinced they would win—and went out of their way to ensure a fraud-free election so they could prove to doubters that they had won fairly. They failed to see that Chile's economic transformation had bypassed many poor and middle-class families, and that many Chileans harbored deep resentment for years of humiliation and repression under military rule. Moreover, in their determination to end partisan politics, they failed to realize that in a society with strong democratic roots and political subcultures, party ties are remarkably persistent despite substantial social and economic change. Dismissing opposition polls as biased, they relied on glowing reports from local government and army officials. But the military regime's expertise in strategic planning was un-

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dermined by the self-defeating logic of authoritarianism: officials were deaf to bad news and unwilling to report it up the chain of command.

To build a winning campaign against Pinochet, the political leaders had to set aside the ideological disagreements and personal rivalries that had fragmented them for years. They also were forced to accept the regime's restricted transition formula, after five years of unsuccessful efforts to speed up the return to democracy and liberalize the conditions for a transfer of power. In 1983, when a wave of protests had swept the country, opposition leaders pressed the armed forces to negotiate an immediate transition, but they were able to obtain only limited political concessions.

Two years later they came closer to upsetting Pinochet, when 11 groups including prominent conservatives signed the National Accord for a Return to Full Democracy. Yet once again, they misjudged the depth of the armed forces' commitment to a controlled transition formula, and the extent to which the economic elite was willing to accept military rule as a bulwark against the return of socialism. To the elite, Pinochet seemed a safer guarantor than democracy, which they blamed for the 1970 election of Allende. Playing skillfully on this fear and warning of a tacit alliance between moderates and Communists, Pinochet persuaded conservatives to back him instead of the accord, leading to the collapse of that effort to isolate the dictator.

Even then, democratic leaders continued to fantasize that somehow Pinochet would fall. Until early 1988, they rejected the plebiscite formula and demanded instead free and open elections. The opposition feared that participating in the plebiscite would legitimize an undemocratic transition and constitution, and trap them in a legal framework the regime could easily manipulate. Even if Pinochet were rejected in the plebiscite, he could remain president another year and army commander until 1997.

The inexorable approach of the October voting day finally convinced opposition leaders to make the best of a flawed contest. Voters ignored calls for a boycott or violent disruption of the plebiscite, and both the new moderate stance of socialist leader Clodomiro Almeyda and the formation of the Party for Democracy led by Ricardo Lagos enabled the 17-party coalition to mount a credible, unified challenge. To ensure a fair election, opposition experts designed a computerized system

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for a parallel vote count on the day of the plebiscite. With limited funds, constrained television access and a vast network of volunteers, Pinochet's opponents campaigned on a platform of democracy and dignity, maintaining an extraordinary degree of unity and proving they were far from the pack of selfish demagogues the regime had always claimed.

Before midnight on October 5, government officials realized they were facing defeat. Pinochet's staff toyed desperately with suspending the vote count, hoping to provoke opposition violence and justify military intervention in the election. But there was simply no excuse: the voting had been perfectly calm, Marxist groups had refrained from any disturbances and key conservative leaders such as Sergio Onofre Jarpa of the Renovación Nacional party had acknowledged the likelihood of a "no" victory.

Most important, Chilean military officials were not willing to entertain any notions of aborting the plebiscite. The army was strictly loyal to its commander in chief and stung by his defeat, but it was neither a Panamanian Defense Force, wed to a dictator's personal fortunes and perquisites, nor an Argentine military establishment, fragmented by conspiratorial alliances with the civilian right. It was a professional institution committed to constitutional rule, which had intervened only twice in the republic's 150-year history and viewed the 1973 coup as a necessary action resulting from overwhelming civilian demands. Its proudest legacy to the nation was the 1980 constitution—and under the rules of that charter, their candidate had lost.

The commanders of the navy, air force and national police, jealous of army dominance, had even less reason to condone electoral intervention, and with the concurrence of key army officers, they made it clear on voting night that they would insist on respect for the results. When the opposition swept every region but two, there was nothing left for the fuming general to do.

The plebiscite was equally devastating to Chile's Communist Party, a significant force in Chilean politics since the 1920s. Convinced for years that popular discontent would lead to Pinochet's collapse and place Chile on a revolutionary course, the party abandoned its traditional commitment to electoral politics in 1980 and formed an armed rebel movement, the Manuel Rodríguez Patriotic Front, to spearhead the insurrectionary process. Encouraged by the 1983 protests and alien-

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ated from democratic politics by years of harsh repression, a tough new generation of cadres smuggled arms from abroad and plotted to assassinate Pinochet.

But the plans were uncovered, and a failed attempt against the dictator's life on September 7, 1986, provoked wide public repudiation, reinforcing the general conviction that Chile should seek a peaceful solution to its problems. The party continued to misjudge the popular mood, vehemently declaring that the plebiscite would be a hoax. The peaceful defeat of Pinochet left the Communists divided, isolated and struggling to define a new role in a society that had rejected their revolutionary objectives.

III

The October 5 referendum was only the first step in a difficult transition. The opposition had to chafe under military control for another 17 months, but felt it now had a mandate to demand major constitutional reforms before the election of a new government. The regime was determined to maintain an image of absolute control, but tacitly recognized some political concessions were now inevitable. A delicate process of negotiation began early in 1989 but collapsed repeatedly amid mutual charges of intransigence and bad faith.

Democratic leaders were especially determined to change the most authoritarian elements of the constitution. The charter banned all Marxist parties, called for almost one-third of the Senate to be appointed by the president and other officials, and established a National Security Council dominated by the military commanders in chief, with authority to represent the views of the armed forces on policy matters—a vague power many regime opponents feared would provide the military with a veto over civilian authorities. Amending the constitution would be very difficult under the charter's requirements for three-fifths approval by both legislative houses in two consecutive Congresses.

Junta members and government moderates felt it would be wise to accept minor changes in order to defuse tensions and minimize future reforms. But Pinochet and regime hard-liners balked repeatedly, insisting that changing any basic features of the constitution would jeopardize their concept of a "modern, stable, protected" democracy. The impasse was broken by Renovación Nacional, which had reluctantly supported Pinochet's candidacy but was eager to ensure a smooth transition

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and open channels to opposition leaders. After a joint study Renovación and antiregime lawyers proposed a series of reforms and entered negotiations with the interior minister, who threatened to resign when Pinochet rejected the package the minister had negotiated. Again, top military officials intervened on behalf of compromise, and the general was forced to relent.

The final package of reforms, which was easily approved by voters in a referendum on July 30, met many of the opposition's major concerns. The ban on Marxist parties was reduced to a prohibition on groups that used political violence, the size of the Senate was increased to compensate for the appointment of some members, the National Security Council's power was reduced to a purely advisory status, and some provisions protecting human rights were strengthened. The most significant change made the constitution easier to amend, requiring only a one-time, two-thirds legislative quorum, thus improving the opposition's chance of further modifying Pinochet's charter if it won a majority in Congress.

While the constitutional negotiations were delicate and laborious, preparing for the elections proved a far more daunting task. Having bitterly objected to the 14-month lag between the plebiscite and elections, opposition parties now realized they had precious little time to build organizations, select candidates for president and 158 congressional seats, and prepare voters for the first democratic contest in Chile since 1973.

Government officials believed they could use those months to turn their fortunes around, reasoning that if the aging dictator had obtained 43 percent of the plebiscite vote against a unified opposition, a more palatable conservative figure stood a good chance of success against a coalition that was bound to dissolve into partisan squabbles once the competition for congressional seats got under way.

To give its partisans an extra advantage in congressional elections, the junta crafted a set of electoral laws that gerrymandered congressional districts so that rural areas, where the "yes" vote had been strong, were allotted more deputies than urban areas where opposition support was strongest. As a result, the 20 smallest districts, with a population of 1.5 million, elect 40 deputies, while the seven largest, with a comparable population, can choose only 14.

The mechanism for choosing legislators was also designed to

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benefit progovernment candidates on the assumption that they would win about one-third of the votes. The law provides two seats per district, for which each party can present two candidates. Voters choose one candidate on one party list, and the winners are determined by the total vote received per list. The list receiving the highest number of votes earns one seat, and the next list to receive at least half of those votes earns the second seat. Thus, if there are two lists presented, the top list (presumably the opposition) could earn as high as 65 percent of the vote and still win only one seat, while the second list (presumably progovernment) needs only 33 percent to earn the other seat. Officials were certain, moreover, that the 17 opposition parties would be unable to agree on a single list, thus further guaranteeing the right a majority in parliament.

To the chagrin of Pinochet and his aides, however, their experiment in political engineering once again went awry. The opposition parties managed to set aside ideological and personal disputes and agreed on Aylwin as the sole opposition candidate for president, as well as on a joint program and an electoral pact that virtually constituted a single list of congressional candidates. As usual, Chile's military rulers had judged their adversaries through a prism of prejudice, underestimating their leadership skills and common purpose, unwilling to recognize that the policies aimed at destroying and dividing opposition parties had led them instead to greater maturity and cooperation.

In fact, Chile's opposition leaders were committed to the notion of a sole presidential candidate well before the 1988 plebiscite. Their first priority was reestablishing democracy, not seeking partisan advantage, and they feared that multiple candidates would divide the electorate and benefit the regime. Leftist parties reluctantly agreed that a candidate from the dominant, centrist Christian Democrats would have the widest appeal. Party president Aylwin was the logical choice, yet he had to surmount bitter opposition within his own party, lingering skepticism among many leftists from his days as a leading opponent of Allende, and the reluctance of anticlerical parties to support a candidate close to the Roman Catholic Church. But the seasoned politician blunted early criticism by serving as spokesman for the "no" campaign, earning wide respect for his able leadership and conciliatory style. By the time his candidacy was officially announced in July, it had been endorsed by virtually every opposition group.

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Selecting opposition candidates for Congress, given the skewed electoral laws, was a much trickier proposition. The 17 parties had to agree on the number of candidates each would receive and where they would run, which meant winnowing down lists of candidates through internal primaries or national party councils. This was complicated by the lack of a clear yardstick to measure the relative strength of one party or candidate in relation to others. Each party complained vociferously that it was being more generous than the others in giving up slots.

By midyear the parties managed to agree on a single nationwide list, but added several regional lists that included candidates outside the Aylwin coalition. The Communists, who had decided belatedly to endorse Aylwin and run candidates for Congress, were permitted to participate in the regional lists. This agreement signaled tardy recognition by the party that its insurrectionary strategy had failed and that its only hope for the future lay in returning to the political mainstream.

IV

The Chilean right, in contrast, approached the December elections floundering in disarray. Despite their ideological homogeneity, proregime parties fragmented into a dozen bickering factions and ended up divided between two presidential candidates—Büchi and Francisco Javier Errázuriz, a prosperous businessman.

The government's partisans were utterly unprepared to compete in a democratic context after 16 years of comfortable inaction. The regime, contemptuous of politics and convinced that discipline and authority were the keys to good government, had actively discouraged the revitalization of conservative parties. Pinochet, obsessed with proving that he alone was capable of running the country, had systematically thwarted the emergence of competing proregime leaders. The conservative tendency to favor individualism over ideology had accentuated with military rule, and any instinct for collective thinking had atrophied as parties hibernated.

At first, Renovación Nacional, the principal conservative party, seemed likely to overcome these obstacles. Party president Jarpa, a man of considerable oratorical and political skills, was an obvious choice for a president who could build a coalition of small business entrepreneurs and middle-class

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conservatives. But regime purists viewed his pragmatism and flexibility as the lowest traits of traditional politics. Renovación was also viewed with suspicion by the Union Democrática Independiente, a movement of current and former regime officials fanatically committed to Chile's neoconservative economic experiment, which feared Renovación would be too willing to compromise it. Many influential businessmen, who had profited handsomely from regime policies of privatization and export promotion, felt Jarpa was insufficiently committed to those policies because he had pushed the regime to ease its rigid free market stance during the political crisis of 1983, when he served as Pinochet's interior minister.

Searching for an alternative candidate, a group of conservative intellectuals and entrepreneurs proposed Büchi, a brilliant young technocrat who had served the regime in a series of important economic posts and had become finance minister before the age of 40. To opponents, Büchi represented the continuation of dictatorship in civilian garb, a protégé of Pinochet and a cold technician who had slashed domestic social programs to satisfy foreign lenders. Polls have shown him consistently unpopular with poor and middle-class voters, who have borne the brunt of his policies. But to his supporters he was the perfect candidate, embodying the regime's proudest achievements but untainted by its abuses, and projecting a youthful, independent image to young, upwardly mobile voters.

More than anyone, Büchi has been associated with Chile's steady economic recovery and exceptional macroeconomic performance since the mid-1980s. After the government weathered two bouts of severe recession and a major financial crisis induced by overly rigid adherence to fixed exchange rate policies, Büchi introduced a modified brand of free market economics, continuing to hold down social spending and inflation while devising creative schemes, such as debt-equity swaps, to help lighten Chile's heavy obligations to foreign lenders. During his tenure, the nation's economic "miracle" began to blossom, with new fruit and forestry exports complementing the nation's traditional copper exports, and a new breed of entrepreneurs bringing foreign investment, modern computers and aggressive business practices to the once sluggish, state-dominated economy. With Büchi as president, supporters reasoned, there would be no risk of reversing these trends.

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In June, however, Büchi stunned supporters by announcing unexpectedly that he had no desire to be president of Chile. An introspective loner, he loathed public speaking and preferred hiking in the mountains to negotiating in smoke-filled rooms. But powerful interests had other ideas. Santiago was flooded with posters, decals and radio spots urging "Büchi's return." Influential businessmen and former officials pressured him relentlessly to change his mind, while flatly informing Jarpa his candidacy would receive no support. Bitter and defeated, Renovación grudgingly agreed to withdraw Jarpa and endorse Büchi's return to the race in July.

A second candidate, however, refused to cede the limelight to Büchi and remained in the race. Errázuriz, a maverick entrepreneur, struck a popular chord by condemning neoconservative economics but drew support from right-wing nationalists for his strong anti-Marxist stance. Errázuriz has no chance of winning, although he could sap enough votes from Aylwin and Büchi to force an electoral runoff, which is required if no candidate receives an absolute majority. His candidacy worsens divisions within the right, which was unable to agree on a joint list of congressional candidates. Conservative groups are so splintered that they could fail to win a single seat in many districts.

V

Whoever wins the presidency, a number of difficult issues face the four-year transition government that will take office next March 11. Similar issues have wreaked havoc with moderate, well-intentioned civilian administrations in post-military Argentina, Brazil and Uruguay.

The most immediate problem for the new democratic government is how to assert its authority over the armed forces while establishing a healthy relationship with them. After 16 years in power, the military no longer sees itself as the servant of elected leaders, but as a fourth branch of government. Hostile to politicians in general and the Aylwin forces in particular, the Pinochet regime is attempting to secure permanent influence by creating authoritarian enclaves that would be difficult to dismantle. Offering early retirement bonuses to Supreme Court members, the regime has named nine new justices to life terms since October 1988. It is also trying to ensure that the next government will not be able to control such key agencies as the central bank and the mass media

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regulatory commission by naming regime loyalists to extended terms on their boards.

The armed forces still expect to exercise significant influence through the National Security Council, even though its capacity to overrule presidential decisions was weakened by the constitutional reforms. Determined not to let civilians interfere with their appointment, promotion and training process, they have recently prepared a set of new internal regulations. They will also insist on retaining constitutional provisions that reduce the president's power to choose military commanders and bar the executive from removing them.

The most intractable issue in civilian-military relations is human rights. Despite international condemnation, military officials believe repression was the necessary price for eliminating subversion and are vehemently unrepentant over charges of torture, execution and the disappearance of more than six hundred prisoners. They are determined to avoid the humiliation of human rights trials suffered by their Argentine counterparts, and top officials have hinted they might resort to force if any attempts are made to change the 1978 law that amnestied all security-linked crimes committed in the first five years of military rule.

The military's views on all these issues would clash sharply with an Aylwin administration. The opposition is committed to establishing the truth about human rights abuses, although it is divided on the degree to which perpetrators should be brought to justice. Aylwin would face strong pressure from relatives of the dead and missing to repeal the 1978 amnesty law. He has called for the armed forces to return to their traditional role, and would seek constitutional reforms to eliminate authoritarian enclaves such as the powerful military courts. If elected, Büchi would tend to defer to military wishes, but pressure would still come from Congress. In either case, reaching agreement on the proper military role in society will require a tricky combination of toughness and tact from civilian rulers.

The chief obstacle to healing the civilian-military breach is General Pinochet himself, a shrewd and still robust figure of 73 years. Polls show 80 percent of the public believes he should step down as army commander, and opposition leaders have repeatedly called for him to retire in March. But Pinochet, who wants to ensure there is no retreat from the army's privileged, tutelary role in society, clearly intends to remain in

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the post until the constitution forces him out in 1997. Within the army, his mystique has declined and he is viewed as a potential liability to healthy institutional relations with civilian authorities. But he has recently retired several generals who are highly regarded professionals and promoted others who are personally loyal, thus diminishing the prospects for easing the unpredictable Pinochet into quiet retirement.

The weakness of the political right also makes it harder to balance civilian-military relations. Stability requires a right with strong electoral representation and a consensus that the armed forces are subordinate to civilian authority. Büchi supporters believe that even if he loses, he can help build a strong and influential new conservative force, but the current disarray could still tempt rightists to turn to the military for protection. This would weaken the armed forces' accountability to civilian rule, and could lead to a conspiratorial relationship between the armed forces and elements on the right.

Chile's new government must also find a way to address the frustrated social aspirations that have been the cost of Chile's undeniable macroeconomic success. Without fear of being removed from office, the military government was able to lower inflation, reduce the foreign debt and cut fiscal deficits by repressing political and labor leadership and ignoring public demands for social equity. The regime instituted aggressive programs to eradicate extreme poverty but severely reduced spending on health and education that benefited the working and middle classes. By 1988 unemployment had dropped from 30 to ten percent, but purchasing power was still below 1970 levels. Farmworkers were earning under two dollars a day, and more than 600,000 families had defaulted on their mortgages, caught in a spiral of debt because their loans but not their wages or pensions were indexed to inflation.

The opposition puts a high priority on redressing this "social debt" and has pledged to revamp the regime's restrictive labor legislation. Yet opposition economists agree that the basic outlines of the regime's macroeconomic policies must be maintained and that foreign debt obligations must be met. They are determined to avoid the errors of new democratic governments in Argentina and Peru, which rushed to improve wages and social services, only to find fiscal deficits and inflation forcing them into steep recessions. To increase spending without dipping into reserves, the Aylwin team has

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proposed creating a "social fund" by raising corporate and income taxes. It also vows to drive a harder bargain with foreign creditors, for example by demanding that Chile's debt be valued at its market rate, which is 60 percent of the nominal value. Even so, the government may be forced to take new austerity measures if current growth levels decline, as is predicted, or if copper and agricultural export earnings drop as debt service requirements increase in 1991–93.

A Büchi presidency might reassure investors more than an Aylwin administration, since the former finance minister has been identified with Chile's free market policies. Ironically, however, as the campaign progressed, Büchi sought to project himself as a populist by promising a host of social benefits. And yet he has worked only as a technical problem-solver at the behest of a military junta and is not well prepared to balance economic and social demands in democracy, which requires a very different leadership style. His lack of political experience and coherent party base would make it much harder for him to negotiate with striking copper workers, peasant squatters or congressional opponents.

Aylwin, on the other hand, is a seasoned politician who has successfully negotiated with opponents across Chile's broad ideological spectrum. Chile's opposition parties maintain strong influence over social organizations, from labor unions to student groups. Party leaders have warned these groups repeatedly that social demands must be toned down if democracy is to survive, and social activists have responded by pledging to support an Aylwin government as long as it keeps their problems on the national agenda. Thus, an Aylwin presidency can offer foreign business a far greater guarantee of political stability than Büchi.

The unity and discipline marshalled by Aylwin's coalition in order to defeat Pinochet are bound to weaken as his transitional team moves toward the elections of 1994. The Christian Democratic leader, who cannot succeed himself, is likely to come under sharp attack from socialist parties, especially if the economy declines and social demands are unmet, as they try to carve out their own constituencies in a multiparty system. The frenetic rhetoric that polarized Chile in the waning days of the Allende era could return, as competition intensifies for the next, eight-year presidential term. But the lessons of 1973 have penetrated deeply, and the experience of 16 hard years has brought a new appreciation of democracy to this scarred

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society. It is a privilege few Chileans would now squander for an ideological vision—or a fleeting moment of power.

VI

Chile's transition to democracy can be viewed as a success for U.S. policy, which has given strong support to democratic forces since 1985 and played an important role at several key moments in discouraging reversals in the political liberalization. Republican administrations and business interests have been delighted with the progress of the regime's neoconservative economic experiment, which has set an example of deference to multilateral lenders' demands for austerity and used free market tools to energize a sluggish statist economy.

And yet, there are pitfalls that must be avoided if Chilean and American interests are to be well served by a return to civilian control. Having set the proper, low-profile tone in encouraging the transition, Washington must now resist any temptation to try to micromanage the next stage. Having benefited substantially from the Pinochet regime's openness to foreign investment and lender demands, the international financial community must resist the nervous instinct to flee from the uncertainty and disorder of newly established democratic rule.

Despite its physical remoteness and lack of strategic significance, Chile has played a prominent role in U.S. foreign policy since the 1960s, when the Kennedy and Johnson administrations poured covert aid into the Christian Democratic party as a counterweight to the appeal of communism. In 1970 the Nixon Administration plotted unsuccessfully to prevent the election of Allende, then backed his right-wing opponents and was relieved by the coup that overthrew his government. Revelations of these covert U.S. activities, coupled with harsh repression in Chile, brought a major reversal in U.S. policy under President Carter. When the 1976 slaying in Washington of Orlando Letelier, a former foreign minister to Allende, was linked to Chilean security forces, U.S.-Chilean military ties were cut altogether.

The 1980 election of President Reagan brought Pinochet a more sympathetic ear in Washington, where anticommunist dictators were once again viewed as palatable strategic allies. But by 1985 U.S. policymakers had changed course again, concluding that prolonged military rule was only strengthening communist groups. They also wanted to legitimize their crusade against Nicaragua's leftist regime by condemning

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human rights abuses by rightist allies as well. A new U.S. ambassador in Santiago, Harry G. Barnes, Jr., spoke out against repression and rebuilt ties with the democratic opposition. U.S. officials helped ensure a fair vote in the plebiscite by financing the parallel vote count and voter education projects, and by warning the regime against trying to doctor or abort the results.

In recent months Washington has moved toward more relaxed relations with the lame-duck Pinochet regime, but Chilean military officials bitterly resent having been abandoned twice by Washington in their fight against communist influence—after 1976 and again in 1985—and have come to view the United States as a soft and unreliable ally. The business elite has also not forgiven the Americans for turning against Pinochet, and its pique was vividly illustrated early this year, when prominent businessmen claimed that the poisoning of a shipment of Chilean grapes and the subsequent U.S. decision to temporarily ban the import of Chilean fruit was part of a plot by the Central Intelligence Agency.

Chile's socialist left, on the other hand, has moderated its anti-American stance significantly in recent years, aided both by U.S. criticism of human rights abuses and a renewed political outlook of its own. Leading Chilean leftists have lived abroad since the coup, coming to understand the complexities of U.S. foreign policy and to identify more with the moderate socialism of contemporary Europe than the radicalism of Fidel Castro. With the Communist Party isolated from the political mainstream and the opposition likely to win power, Washington has little reason to fear a resurgence of an insurrectionary threat or extreme anti-Americanism.

Chile is often cited as an exemplar of free market economic policies. The task today is to prove they can be maintained without authoritarian control. If the nation's new leaders can maintain macroeconomic stability while addressing social needs, then Chile can be legitimately invoked as an important example of economic and public policy reform worthy of emulation in the rest of Latin America and the Third World. If it wants to see Chilean democracy succeed, the United States can help by pushing multilateral lenders to relieve the nation's staggering foreign debt burden—which still represents 90 percent of the gross national product—thus making available resources for needed capital investment and social services.

The normalization of civilian-military relations in Chile

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could also be aided by a renewal of U.S. military assistance. This would show the Chilean military that elected leaders can deliver foreign defense aid, and would help blunt resentment against inevitable cutbacks in bloated military budgets. Improved relations are especially important at a time when the United States is embarking on a high-profile program of military aid to fight cocaine traffic in Peru and Bolivia. The Chilean army will inevitably view this as enhancing the defense capacity of two traditional enemies, and Washington must be careful to compensate Chile for the perceived imbalance.

The most important obstacle to renewed military ties is the legacy of the Orlando Letelier assassination, a sore point with American administrations for more than a decade. Unless responsibility for this episode is resolved, Congress is extremely unlikely to restore military aid to Chile. The Pinochet regime has repeatedly denied U.S. requests to extradite General Manuel Contreras, the former secret police chief. While a new civilian government might be more willing to meet the U.S. request, the armed forces would vehemently oppose it, and pressure from Washington would simply wedge democratic leaders into a corner.

Yet the murder of Letelier and his assistant was too blatant a case of state-sponsored terror for U.S. officials to drop the issue now. Negotiations between Chilean and U.S. officials, including members of Congress, are needed to reach a mutually acceptable solution. An investigation through the 1914 Bilateral Mediation Treaty might provide grounds for Chile to compensate the victims' families, without extraditing a high-ranking member of the armed forces. Washington must work closely with elected Chilean leaders on this matter, giving them time to reach domestic consensus on how to proceed.

Overall, the United States should maintain its current unobtrusive presence in Chilean politics, even if democracy brings unrest, for interference would only jeopardize the transition. Washington's stated neutrality in the December election is a far more appropriate policy than the meddling of 1964 and 1970 that contributed to the breakdown of Chile's 150-year-old democracy. Washington will also have to accept a more "nonaligned" foreign policy from Chile's new leaders, including opposition to U.S. military presence in Central America. Ultimately, a stable, independent and prosperous democracy in Santiago will prove a sounder ally than either a beholden client state or a mercurial anticommunist dictatorship.

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Linda Robinson

DWINDLING OPTIONS IN PANAMA

Panama has bedeviled every American president since Lyndon Johnson, who was forced to open negotiations over the Panama Canal after anti-American riots broke out there in 1964. It is not too surprising that Panama became President Bush's first foreign policy crisis.

In its last year in office the Reagan Administration decided to force the removal of longtime U.S. ally General Manuel Antonio Noriega, the de facto leader of Panama. It left office without accomplishing that goal, suffering embarrassment and criticism. The Bush Administration has pursued the same objective but no more successfully. General Noriega has continued to resist American pressures and escaped a coup in early October, when the United States chose to stand by as the rebellion collapsed.

The Bush Administration was deluged with criticism for being unwilling to back its rhetorical opposition to Noriega with more concrete action. Believing that an ideal opportunity to unseat Noriega had been lost, critics charged that the Bush Administration was indecisive. At a minimum, the episode suggested that the United States was unprepared to aid the very event that it had been encouraging. The Panama problem now seems likely to continue to fester, with no clear U.S. strategy in place to deal with it.

Panama is an unusual case. It is one of the few Third World countries whose problems arouse domestic opinion, mainly because Americans still care about the canal, the basic reason for the long and intimate relationship between the United States and Panama. Furthermore, the United States has identified Noriega as a major actor in the drug trade, thus making him a public enemy in an area that some polls identify as Americans' most pressing concern. Finally, the close U.S. relationship with the Panamanian military since its creation confers a responsibility that makes the Panama issue difficult

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for the United States to walk away from. Yet, even though the United States has escalated Noriega's rule to a major foreign policy issue, the range of measures employed to deal with it has been limited.

II

The United States had expected a transition to civilian democracy that would provide the basis for stability in Panama when President Jimmy Carter won the arduous battle for congressional approval of the 1977 Panama Canal Treaties, negotiated with Panamanian strongman Omar Torrijos. The treaties provided for the gradual transfer of the canal to Panamanian sovereignty, to be completed by the end of 1999. This was deemed sufficient time to implant a stable, representative government.

Carter and Torrijos reached a tacit understanding—not a formal part of the treaties—that Torrijos would oversee a transition to a democratic civilian government in Panama. Congress made this assumption explicit in conditioning its ratification on the understanding that the promised democratic transition would occur.

The sudden death of Torrijos in a plane crash in July 1981 put the transition to democracy in jeopardy. Even had he lived, the advent of democracy was uncertain. Torrijos had stepped down in 1978, turning over nominal power to the Democratic Revolutionary Party (PRD) he had founded, but the military retained enormous power. The close U.S.-Panamanian military relationship operated to bolster the Panamanian military's power vis-à-vis the civilians.

The PRD is an alliance of business interests and the military. The merchant class that dominates Panama's service economy had no interest in setting itself against the military, which controls the ports and transit routes that are its lifeblood. Symbiosis and collaboration have been more characteristic of Panamanian politics than confrontation. In 1982 the four top officers of the National Guard agreed on a plan for rotating command of the guard among themselves, with each outgoing commander taking up a position of power within the PRD.

The scheme broke down when intelligence chief Noriega became commander of the guard in 1983. He reneged on the agreement for his predecessor, General Rubén Darío Paredes, to be the PRD presidential candidate. He combined all security and immigration forces under his control in the Panamanian

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Defense Forces and began a steady consolidation of power over the country's businesses and the government, including the key agency DEPAT, responsible for the Panamanian side of canal affairs.

Panama's undemocratic government was only the most visible flaw in the political system. Not yet part of the public discussion was the fact that among Panama's main businesses are drug trafficking, arms smuggling and illicit trade of all sorts. The 1970 secret banking laws made Panama an attractive haven for illicit profits, and some Panamanian officials (including Torrijos' brother) were paid to accommodate this business. As intelligence chief of the PDF under Torrijos, Noriega had come to know all the subterranean dealings in Panama, knowledge that helped him amass power and wealth. How much U.S. authorities knew of the corruption in the Panamanian military is unclear, although worrisome reports had surfaced in the late 1970s.

Questions about why the United States had not pursued the reports of illegal activities by the Panamanian military caused George Bush some difficulty in the 1988 presidential campaign. A former U.S. ambassador to Panama, Everett Ellis Briggs, said that he was convinced of Noriega's involvement in illegal activities, and reported this to Washington. When asked why the reports of the ambassador had not been acted upon, Bush's response, with which the ambassador subsequently concurred, was that the United States did not have hard proof of Noriega's complicity.

The problem became indisputably clear in February 1988, when two U.S. grand juries handed up indictments of General Noriega. The charges included his assistance in the transshipment of drugs from Colombia to the United States, laundering drug profits in Panama-based banks in return for a payoff, security for the fund transfers, permission to set up cocaine-processing plants including one in Darien province in 1984, and the sale of ether and acetone to the drug cartel. In the course of 1988 detailed information became public, through hearings held by the Senate Foreign Relations Subcommittee on Narcotics and Terrorism. The star witness was former Panamanian official José Blandón, who testified about various illicit activities of Noriega and the PDF. In September 1989 the Bush Administration corroborated some of the charges and said that Noriega had accumulated some $200–300 million from his role in drug trafficking and had given safe haven to

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drug barons after the 1984 assassination of Colombian Justice Minister Rodrigo Lara Bonilla.

One explanation for the U.S. failure to take concerted action against Noriega before the indictments was his cooperation with such U.S. projects as aiding and training the Nicaraguan rebels fighting the Sandinistas. Responsible American officials well knew that Noriega traded intelligence with Cuba as well as the United States, but this also made him a useful source and channel of communication. The same was true of the drug traffickers; Noriega cooperated with the U.S. Drug Enforcement Agency, aiding in the occasional capture or arrest of traffickers, even as he was in league with them. Finally, because Noriega gained an intimate knowledge of U.S. military and intelligence operations, he would be a formidable adversary. The United States was understandably reluctant to confront him until it had no other option.

The United States was also leery of the dominant opposition politician, Arnulfo Arias, whose antimilitary stand could jeopardize U.S. interests in Panama. Arias had been ousted from the presidency shortly after winning elections in 1941, 1951 and 1968. He was the presumed winner again in 1984, but the PDF-backed candidate, Nicolás Ardito Barletta, a former World Bank vice president, was installed instead. Secretary of State George Shultz attended Barletta's inauguration, thus lending a stamp of legitimacy to the new government.

In late 1985 Barletta sought an investigation into the death of Hugo Spadafora, a former Torrijos supporter who had accused Noriega of drug trafficking. The hapless president was locked in a room by Noriega's henchmen until he submitted his resignation. Rumors that it was Noriega's Defense Forces who had killed Spadafora caused a scandal in the historically peaceful country. The United States condemned the pressure on Barletta, its first public move against Noriega, but took no further action when he was replaced by his first vice president, Eric Arturo Delvalle. Thus, the United States seemed to condone Noriega's increasingly arbitrary actions, and declined to wage an all-out campaign against him.

III

The United States was forced to confront the problem that Noriega had become after Panamanians expressed massive rejection of him and, more definitively, once U.S. courts indicted him on drug trafficking charges.

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Panamanians' rising discontent with PDF corruption and dominance burst into the open in mid-1987. In June the PDF's former second-in-command, Colonel Roberto Díaz Herrera, accused Noriega of corruption, rigging the 1984 elections, the murder of Spadafora and even planning the crash that killed Torrijos. Díaz Herrera, cousin to Torrijos, was seeking revenge because Noriega had denied him his scheduled tour in the top PDF position, as agreed in the power-sharing arrangement worked out after Torrijos' death. The colonel's charges catalyzed an outpouring of protest, strikes and demonstrations that lasted for several months.

The opposition coalesced in the National Civic Crusade, a broad spectrum of business, labor and community groups, with significant support from the church and political parties. The crusade's aim was a democratic government, and to attain this it insisted that Noriega step down. A public opinion survey showed that 75 percent of Panamanians wanted Noriega to relinquish power. The opposition assured the PDF that it did not deny its legitimacy as an institution, though it did wish to negotiate changes in its role; only Noriega's resignation was nonnegotiable.

But the civilian opposition simply did not have the muscle to force Noriega out. Several politicians acknowledged that their campaign would require help from the PDF and/or the United States to succeed. Some Panamanian bankers had drawn up a plan with Noriega representatives that included a retirement date for the PDF chief, but Noriega stood fast.

One reason for Noriega's steadfastness was his confidence that certain sectors of the U.S. government would support him. The Defense Department, the Central Intelligence Agency and the Drug Enforcement Agency all had an interest in continuing cooperation with Noriega. He had helped the DEA apprehend suspected drug traffickers operating in Panama, and as late as March 1987 had cooperated with "Operation Pisces," a major U.S.-Panamanian money-laundering investigation in which 18 accounts in Panamanian banks were frozen.

Thus, when the June 1987 protests began, the U.S. government reacted slowly, as it tried to gauge the magnitude of the crisis in Panama. Was Noriega becoming more a liability than an asset? Washington halted U.S. aid in July after its embassy in Panama City was stoned and vandalized by Noriega supporters who charged that U.S. diplomats were behind the

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unrest. The State Department called on the Panamanian government to uphold the rule of law and respect for democracy, but "correct and formal" military and other bilateral U.S. relations continued. Some in Congress threatened more punitive action, but the issue then receded.

In December 1987 the Reagan Administration sent Assistant Defense Secretary Richard Armitage to Panama to explore quietly the conditions under which Noriega would step down from his post. The mission failed, despite an offer to drop the ongoing investigations of Noriega by U.S. Customs and other agencies charged with combating illegal drug traffic into the United States. When the Panamanian leader rejected this offer, the administration had no next step planned. Even though the executive branch is not informed in advance of indictments, they could not have been surprising to those officials who had dealt intimately with Panama and Noriega. Nonetheless, the Reagan Administration was caught without a prepared policy when the indictments were announced by two courts in Florida in February 1988.

The United States had no choice but to escalate, given that public concern about drugs was at an all-time high. The government could not afford to be seen as coddling a dictator-druglord after its own courts called for his prosecution. Nevertheless, the anti-Noriega campaign ran into problems almost as soon as it was launched. Some branches of the U.S. government still harbored misgivings about turning against a longtime ally, even though the indictments made the former intimate alliance publicly unpalatable or even untenable. This disunity within the administration complicated efforts to frame a coherent policy, particularly once the policy goal was defined as the removal of Noriega.

The difficulty of dislodging him was grossly underestimated by the officials in charge of formulating the anti-Noriega policy. As each denunciation of Noriega failed to have the desired effect, the United States was drawn further in. Washington had to take another step to avoid losing face in the battle against its former ally, and thus the pattern was set.

After the indictments, Assistant Secretary of State for Inter-American Affairs Elliott Abrams encouraged Panamanian President Delvalle's plan to dismiss Noriega as chief of the PDF. Delvalle did so on February 25, 1988, but the National Assembly was convened in emergency session hours later and dismissed Delvalle, on the grounds that he had acted uncon-

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stitutionally in firing Noriega without the legislature's consent. The education minister was named acting president. Opposition politicians were annoyed at the United States for courting Delvalle as the front man for the anti-Noriega campaign because they saw him as a Noriega puppet. In any case, Delvalle did not have the power to compel the strongman to step down. The deposed president went into hiding and later ended up in Miami. The U.S. government continued to recognize him as president of Panama.

Delvalle took the next step in the anti-Noriega campaign. U.S. recognition of Delvalle permitted his lawyers to argue successfully in U.S. courts that Panamanian government assets in the United States should be placed under the control of Delvalle and his representatives. In early March court orders froze some $40 million in Panamanian government assets in U.S. banks and the U.S. operations of the government-owned airline, Air Panama. Delvalle also asked the United States to withhold canal revenues due to Panama. The administration eventually agreed to withhold the March payment of $6.5 million, but continued to ponder the costs of an all-out economic war against Noriega.

The United States was looking for other possibilities as well. In congressional hearings on March 10, State Department officials expressed the hope that PDF members would rebel against their leader. Such a coup was attempted on March 16 by Panamanian police chief Colonel Leonidas Macias, but was easily quashed by loyalist troops. Noriega arrested Macias and removed 12 of 54 majors in the PDF, shoring up the loyalty of the 15,000-member PDF. But the attempt spurred the worst anti-Noriega riots Panama had seen yet, prompting Noriega to call out combat troops and break a general strike. The opposition made a major effort, believing the end was in sight. But it was disappointed again, as it had been in the summer of 1987 when its protests had failed to dislodge the dictator.

In a shrewd move, Noriega welcomed two State Department officials to Panama in mid-March for negotiations. Deputy Assistant Secretary of State William Walker and State's legal adviser Michael Kozak said that the administration would not seek his extradition if he went into exile, but refused to drop the indictments. Spain had offered asylum to the Panamanian leader. Efforts to negotiate a deal along these lines continued in April, but Noriega again stood firm in rejecting any plan that would require him to leave the country.

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IV

To escalate pressure on Noriega, the Reagan Administration decided to impose selective economic sanctions on his regime. But implementation was slow and uneven, and the sanctions themselves were far from comprehensive. On March 31, 1988, the administration announced that it would put all monies it owed Panama into an escrow account in the United States, to be controlled by President Delvalle, and urged U.S. companies and individuals to follow suit. On April 8 President Reagan invoked the International Emergency Economic Powers Act, making the earlier measures mandatory.

Money withheld from the regime included canal toll revenues and payments for services of canal operations (about $80 million annually), as well as housing costs, taxes and social security payments (the last later reversed) of canal employees. The administration also suspended Panama's preferential trade status, covering about 30 percent of its exports to the United States. Congress had eliminated Panama's sugar quota in December 1987. But the sanctions were weakened after the 300 U.S. firms doing business in Panama protested them. By the end of April the U.S. Treasury Department began making exceptions enabling the firms to continue operations and avoid punitive action by the government in Panama.

The administration had limited the sanctions in order to minimize the harm to Panamanian citizens and the economy; only transactions with the Panamanian government were prohibited. But the denial of some $100–200 million to the Noriega regime was not fatal; the United States was an important but not the only source of revenue. After the sanctions were imposed Libya reportedly gave $24 million in cash to the regime. The Panamanian government closed banks in the country to halt capital flight. It managed to continue meeting the government payroll, albeit with delays, by issuing scrip that could be used at supermarkets and other stores in exchange for goods. (The government employs 25 percent of the working population, a source of political support but a drag on the slowing economy.)

Thus, the sanctions hurt but did not halt Panama's economy. Had the United States taken more drastic economic measures, such as a total trade embargo, the impact would have been enormous, given the large U.S. stake in the Panamanian economy—including the use of the U.S. dollar as the Panama-

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nian currency. But such economic warfare probably would have ruined one of the region's healthier economies. Panama's per capita GNP, $2,100 in 1987, is one of the highest in Latin America. In any case, Noriega seems willing to engage in a contest with the United States, gambling that the Panamanians will eventually blame the United States for their economic pain.

Furthermore, the United States was on shaky ground in withholding canal revenues and other fees owed to Panama; it was violating the canal treaties. Although the foreign media and the international community did not focus on this fact, Noriega made full use of it inside Panama, charging that the only reason for the U.S. campaign against him was its desire to stop the transfer of the canal to Panamanian control. He sought to make a nationalist cause out of the crisis by wrapping himself in the canal issue, but this tactic had little success, at least initially.

American rhetoric only fed expectations that the economic sanctions imposed in 1988 would have immediate political effect—Noriega's collapse. A U.S. official said publicly in March that Noriega would be gone "in a matter of days." Yet in May Noriega was still firmly in the saddle, so the United States shifted course yet again and opened another round of negotiations. Kozak, now deputy assistant secretary of state, went to Panama and offered a new incentive—the administration would drop the indictments of Noriega in return for his departure from Panama. But Noriega rejected the offer on May 25, whereupon Secretary of State George Shultz said: "all offers are withdrawn from the table."

The United States had played its trump card, and still Noriega refused to leave. Noriega had withstood the repeated and various efforts of his opponents—opposition strikes, the coup attempt, the U.S. sanctions—and they had just about exhausted their options.

When the negotiations fell apart, the United States turned to its only feasible option remaining, covert military action. In July 1988 President Reagan signed an intelligence finding authorizing the CIA to work with a dissident former PDF colonel, Eduardo Herrera Hassan, to foment a coup in the ranks of the PDF.[1] But the Senate Intelligence Committee

[1] William Scott Malone, "How Not to Depose a Dictator," *The Washington Post Weekly,* May 1–7, 1989, p. 23.

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objected because it feared Noriega would be assassinated, in violation of the U.S. executive order prohibiting the president from ordering the death of foreign leaders. Leaks to the press also made known the Defense Department's aversion to U.S. military involvement. The former chairman of the joint chiefs of staff recently explained that he had opposed actions that would "put American lives at risk, unless the stakes clearly justified it."[2]

The Panama issue receded during the U.S. presidential campaign. The Panamanian opposition, irritated at having been excluded from the State Department's negotiations with Noriega, lapsed into another period of quiescence. The 82-year-old Arnulfo Arias died in August without anointing an heir, leaving the opposition without a clear leader for the upcoming May 1989 elections.

V

When the Bush Administration came into office, it too tried various tactics designed to force Noriega out, but they proved as inadequate as its predecessor's. The Bush Administration did not seem particularly eager to take on the problem, but the Panamanian elections of May 7 brought the issue to the fore once again as the Noriega regime, unsurprisingly, prepared to ensure its victory. In the weeks before the vote, opposition voters were removed from the registration lists, their polling places were moved to distant locations, fictional names were added to the rolls, and the regime controlled all the media.

On the eve of the election *U.S. News and World Report* revealed that President Bush had signed an intelligence finding in February authorizing $10 million in covert aid to the opposition for printing, transportation and communications. Noriega pointed to the aid as U.S. intervention in Panama's internal affairs, and later seized on it as a reason to annul the elections.

The fraud that had been prepared for May 7 was not enough to ensure victory for the Noriega candidate. According to the "quick count" organized by the Catholic Church and conducted by lay workers, the opposition was winning by a three-to-one margin. No official vote count was released,

[2] Admiral William J. Crowe, Jr., letter to *The New York Times*, Oct. 16, 1989, responding to a *New York Times* article by Elliott Abrams, Oct. 5, 1989, criticizing Crowe's opposition to proposals for "more vigorous" action.

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although the pro-Noriega coalition of eight parties, Colina or National Liberation Coalition, claimed that it was winning. Colina's presidential candidate was Carlos Duque, a businessman and Noriega associate, and his running mates were Ramón Sieiro, brother-in-law to Noriega, and Aquilino Boyd. The opposition coalition, ADOC (Alliance of Democratic Civilian Opposition), ran Guillermo Endara, a little-known lawyer from Arnulfo Arias's party, Christian Democrat Ricardo Arias Calderón and the Molirena party's Guillermo Ford.

The Noriega regime made no move to recognize the opposition victory, even though international observers including former President Carter reported the apparent victory as well as the government's attempts to defraud the opposition. Announcements of the vote results were suspended, and the opposition took to the streets, calling on the government to concede defeat. On May 10 the opposition leaders and their supporters were brutally attacked by "Dignity Batallions," paramilitary groups that included members of the police. Hundreds of opposition supporters were arrested. Later that day the Panamanian electoral tribunal nullified the elections, saying they were invalidated by foreign interference.

The next day, President Bush announced measures to show U.S. displeasure at the annulment of the elections, the strongest of which was sending 1,900 more U.S. soldiers to Panama to reinforce the 10,000 troops stationed there. He also ordered the evacuation of U.S. citizens to the U.S. bases or the United States, and said the United States would rigorously enforce its rights under the canal treaties to move troops freely from one base to another. The U.S. ambassador was recalled and economic sanctions were continued, though not expanded. That all these steps were more symbolic than effective was underscored when it was reported that Libya promised Panama $50 million more in cash and oil credits of $100 million.

The announced rationale for sending more troops was to protect American lives. But a subsequent U.S. statement that the administration was not ruling out any options suggested that the United States might be willing to consider the use of force. The credibility of this threat was weakened, however, as U.S. officials also continued to send out signals that they were opposed to direct military action. The administration had apparently decided to look to the PDF for a solution, with President Bush calling on the Panamanian military to "defend democracy."

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At the same time, President Bush indicated his desire to exhaust diplomatic remedies and marshal regional support for a policy of pressuring Noriega. In his May 11 announcement the president emphasized that "the United States strongly supports, and will cooperate with, initiatives taken by governments in this hemisphere to address this crisis through regional diplomacy and action in the Organization of American States."

A regional diplomatic effort was tried during the summer of 1989. On May 17 the Organization of American States approved a resolution condemning the election abuses in Panama. It named a mediating commission to promote "formulas toward a national agreement that would ensure a transfer of power by democratic means and within the shortest amount of time, fully respecting the Panamanian people's sovereign will." The Bush Administration had sought a stronger resolution calling for Noriega's ouster, but it nevertheless backed the OAS mediation.

Yet the OAS brought no more inducements to the table than the United States had in its 1988 negotiations with Noriega. Even though Noriega now faced united regional opposition to his rule, he seemed unfazed by such pressure. Being ostracized was far less onerous than other possible fates awaiting him should he leave Panama.

The OAS mission focused on exploring the possibility of new elections rather than persuading Noriega to recognize the opposition's May 7 victory. On July 20 the OAS proposed a specific formula for a provisional government to take over on September 1 when the current presidential term ended, and for that government to hold new elections as soon as possible.

The Panamanian opposition criticized the resolution as allowing Noriega to stall longer. "The Panamanian people have already decided on their destiny," said Endara. The Noriega camp put forward a proposal similar to the OAS position for a provisional junta government with opposition representation. The opposition refused the offer because it doubted that allowing Noriega to stay in power with a provisional junta would lead to elections any freer than the May fiasco.

This latest round of talks illustrated once again the dilemma of negotiations: Noriega would not voluntarily accept any arrangement that ended his power, much less forced him out of the country. The stakes for him were so high that only the

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most dire threats stood a chance of changing his mind. Yet the OAS was not even prepared to vote for comprehensive economic sanctions, let alone approve the use of force against him.

VI

After the OAS effort collapsed the U.S. administration turned up the pressure another notch, explicitly drawing the canal into the crisis for the first time. Francisco Rodríguez was sworn in as Panama's new president on September 1, 1989. Selected by the Noriega-controlled Council of State, he had been comptroller general for the past seven years. Refusing to recognize him, the Bush Administration expanded the economic sanctions somewhat.

More significant, the United States said it would not accept any candidate proposed by the Noriega government to serve as administrator of the canal.[3] In June the Senate had passed a nonbinding resolution (63–31) that it would not vote for a Noriega nominee even if the administration approved one. Thus, the first major step in turning over the canal operations to the Panamanians is unlikely to take place on schedule. One possibility being considered by the Bush Administration is to appoint a deputy administrator, who is to be an American according to the treaty, and leave the administrator's post vacant.

Other actions earlier in 1989 had suggested that the canal might become a means of pressuring Noriega. In April the American chairman of the Canal Commission Board of Directors resigned from the board, saying the canal was in danger of being closed down as a result of arbitrary and illegal actions by the Panamanian government. In May the Canal Commission's secretary, also a U.S. member of the board, testified to the House of Representatives that he was beginning to worry about the state of the canal after the year 2000 if Noriega "continues to harass employees" and thus diminish the safety and efficiency of the canal's operation. A Panamanian member of the commission had also resigned in May, protesting what he called the Panamanian government's violations of civil rights.

[3] According to the canal treaties, Panama is to propose a Panamanian in 1989 to take over as administrator on January 1, 1990. The U.S. administration is required to approve the nominee, and the Senate to confirm him.

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Introducing the canal into the confrontation is a tactic that could backfire. Although the United States has good reason to fear the eventuality of a Noriega-controlled canal, its immediate interest is that the canal continue to function normally. In recognition of this fact, the U.S. canal administrator assured the Canal Commission in June that although employees were facing difficulties due to the country's political instability, they were performing their jobs well.

The United States has insisted that it has no intention of abrogating the treaties, although some congressmen have threatened to introduce legislation doing so. But U.S. insistence that it will abide by the treaties could be increasingly undermined by its actions, such as refusing to appoint a Panamanian as canal administrator. Such actions could force a difficult choice for the Panamanians: whether they dislike Noriega more than they yearn for sovereignty over the canal.

The canal is certainly vulnerable, and the Noriega government is capable of threatening it, although its own interests would be hurt as well. Furthermore, many Panamanians believe that a Noriega-run canal would be another source of corruption and illicit activities. Therefore, dangers to the canal exist. The question is: Just how important is the canal to the United States?

The waterway has diminished in importance since World War II, and even since the Vietnam War, when most of the forces bound for Southeast Asia transited the canal. Although U.S. aircraft carriers are too wide, smaller naval vessels still use it. Commercial trade is perhaps more significant. In 1987, 70 percent of the commerce via the canal was with the United States, most of it from Asia, amounting to ten percent of U.S. seaborne trade. About 40 percent of the seaborne trade of Latin countries on the Pacific coast goes through the canal.

The canal is more important to Panama, by any measure, than it is to the United States. In 1987, 140 million tons of cargo passed through. Total revenues from the canal amount to about ten percent of Panama's GDP, and it employs some 7,000 Panamanians. Yet the possibility remains that Noriega can contrive some threat to the canal that will work to his benefit. In any case, economic cost/benefit calculations have mattered less to him, as the sanctions have shown, than political survival. While the U.S. stake in the canal is important but not vital, the region would be seriously affected by its malfunctioning. As provided in the treaties, the United States

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is the ultimate guarantor of the canal's safety, and this is a responsibility that Americans want to shoulder. For political and regional security reasons, therefore, rather than economic factors, the U.S. interest in the canal will grow rather than diminish as 1999 approaches.

Another U.S. tactic that carried significant risks but low odds of effectiveness was increased maneuvers, exercises and movements by the U.S. troops stationed in Panama. The justification was that the United States has the right to do so under the canal treaties, and the immediate reason was to counter harassment by the PDF that had been going on for some time.[4] In September the administration announced that these rights would be vigorously asserted, signaling the likely escalation of this game of chicken with Noriega. But such low-level confrontations only provide ammunition for Noriega's charge of U.S. aggression, even though he knows they pose little or no threat to him.

VII

After the debacle of the May election, the United States encouraged direct action against Noriega. President Bush said: "We share [the Panamanian people's] hope that the Panamanian Defense Forces will stand with them and fulfill their constitutional obligation to defend democracy." In another statement, the president sought to reassure the military that the U.S. objection was to Noriega, not the institution, saying: "A professional Panamanian Defense Force can have an important role to play in Panama's democratic future."

Yet the likelihood that the PDF alone could remove Noriega was not great. He had easily snuffed the March 1988 attempt against him, and has a "mafia" of some two dozen PDF officers to do his bidding in return for a share in the perks and power. They form an extensive intelligence and security network for the general. Even if some abandon him, the loyalty of the remaining group would have to be neutralized for a coup to succeed. Furthermore, there is no guarantee that those who take his place would not continue the ways he taught them. Many Panamanians fear that this scenario of "another

[4] In May, Deputy Assistant Secretary for Defense Richard Brown reported to Congress that there had been 1,200 violations of the canal treaties by Panama in the previous 15 months, including harassment of U.S. military personnel and dependents. The most serious confrontation occurred in August, when two U.S. soldiers were detained by Panamanian police. The United States retaliated in kind and denied Panamanians access to Fort Amador.

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Noriega" is likely, given the institutionalized corruption of the PDF, and indeed its pervasiveness in Panamanian society.

Nevertheless, on the morning of October 3, 1989, Major Moisés Giroldi, chief of security at the PDF headquarters in Panama City, led an uprising there aimed at forcing Noriega into retirement. Even though Noriega was reportedly a captive within his headquarters, he organized a successful counterattack to put down the rebellion later the same day. At first the U.S. government said it was not involved, but later acknowledged a limited role.

Two days before the coup Giroldi had met with CIA officials to ask U.S. forces to block two roads by which Noriega could bring in reinforcements. This was done, but no further U.S. action was taken to support the coup once it began to fail. The administration has insisted that no request for further U.S. aid came from the Giroldi rebels, denying a report that rebel officers had asked the second-ranking U.S. military official in Panama to send a helicopter to take Noriega into custody.[5] It was reported that the rebels had earlier told the United States that they did not want U.S. involvement to "taint" their "self-cleansing" action, but they may have changed their minds once Noriega's well-trained Batallion 2000 turned up at the scene.

Brent Scowcroft, the U.S. national security adviser, later confirmed a report that President Bush had authorized the U.S. Southern Command to draw up a plan to use covert forces to apprehend the general, but by that time the coup had already failed. Many in Congress argued that the administration had lost a good opportunity to oust Noriega, but Bush officials said its information had been too sketchy to act upon safely. U.S. officials also expressed wariness of the coup leader, since Major Giroldi had been responsible for quashing the March 1988 coup attempt.

The failure of the October coup, the latest setback in the two-year campaign against Noriega, was the last straw to many in the United States. Frustration was vented that U.S. policy seemed to be banking on a very unlikely contingency—a successful, autonomous coup with little or no U.S. backing. In

[5] According to one report, the rebels asked General Mark Cisneros to come and get Noriega, but to promise not to extradite Noriega to the United States for trial. The request and the condition were relayed to Washington, but no answer arrived before the coup was put down. Frederick Kempe, "How the Inexperience of American Officials Helped Doom Coup," *The Wall Street Journal*, Oct. 6, 1989, pp. 1, 4.

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response to criticism that the United States had not offered more help, officials' statements implied that if coup plotters had requested U.S. help they might have received it. But they also pointed out that Congress previously had frowned on a proposed covert operation against Noriega, leading the administration to steer clear of any that might result in his death. Nonetheless, even if these prohibitions are loosened in the future, will Panamanians trust the United States to come to their aid after their experience in October?

VIII

The Panama crisis has reached this stage because the United States has continued to demand Noriega's ouster, while seriously underestimating his staying power. A number of options have been tried, but they either were pursued half-heartedly or were inherently inadequate to accomplish the objective. Negotiations, sanctions, elections, international mediation, veiled military threats and spontaneous coups have all been tried, and failed. What options remain?

Some in the Bush Administration still hope that a coup may succeed without U.S. backing. This is possible, but the record is not encouraging. After the October coup attempt Noriega began a systematic purge of the military, as well as of civilian officials whose loyalty was suspect. The harsh crackdown suggested that the PDF would be unlikely to try another revolt in the near future. While the October 1989 and March 1988 attempts indicated growing discontent in the PDF, Noriega still retained enough power to put down the challenges. Furthermore, even though a PDF coup without U.S. help might avoid political complications, the United States would have little influence over Noriega's fate and the shape of the new government.

The problem with returning to negotiations is that it is not clear what incentive the United States—or Latin American leaders, for that matter—could offer to persuade Noriega to leave Panama. Indeed, the repeated U.S. public demands that he leave seem to have made it impossible for him to do so without appearing to be caving in to U.S. interventionist pressure. Elections or any other scenario that leaves Noriega in the country, on the other hand, runs the risk that he will continue to wield de facto power. It might only serve to give the United States, and possibly a worn-out opposition, the means for a face-saving retreat.

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Continuing to pursue these same options, especially if U.S. rhetoric encourages high expectations of a near-term solution, could result in further demonstrations of U.S. impotence. This perception of U.S. weakness may well become as great a problem as the original problem of Noriega's rule. Full-scale sanctions or threats to abrogate the treaties are far more likely to turn Panamanians against the United States than to induce Noriega's departure. Thus, U.S. options appear to have narrowed to a difficult choice: to take more drastic steps to force the general's removal or, if these steps are politically unfeasible, to coexist with him.

Coexistence would certainly cause severe embarrassment for the United States, but it might be less debilitating than repeated failures in Panama. Coexistence with Noriega will not work over the long term, however, if it means turning over the canal to him. Indeed, the canal is likely to become an immediate issue as the January 1990 deadline for installing a Panamanian administrator arrives.

If the United States continues to seek Noriega's ouster, pressure will grow for U.S. military action, whether covert or overt, unilateral or in conjunction with the PDF or other Latin Americans.

Overt military action would have a high political cost. The increased support in Congress for direct action against Noriega after the October coup attempt was surprising, but is unlikely to translate into support for direct, drastic action by U.S. troops unless Noriega attacks Americans or the canal. The U.S. military also continues to be leery of this option. The former chairman of the U.S. Joint Chiefs of Staff, Admiral William J. Crowe, Jr., told the Senate Armed Services Committee in the spring that using force can be "a messy, messy business," in contrast to the U.S. public's inclination to support only military operations that succeed with a minimum of casualties. In October Defense Secretary Richard Cheney warned that if the United States used military force in Panama, it would make U.S. cooperation with other Latin American countries more difficult.

The political obstacles to military action may well be insurmountable, but it is probably the only method certain to work. U.S. forces would have little difficulty prevailing over the Panamanian military, even if it would be "messy." Noriega has been fortifying the PDF and the Dignity Battalions with arms from abroad, but the PDF remains more a police force than an

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army. Only two battalions are battle-ready and few others are even equipped for combat; there is also a crack special operations unit, the Israeli-trained "Machos del Monte." The political costs of military action would be negligible if Latin Americans were directly or even solely involved, but no Latin government is likely to risk being caught breaking the regional taboo against intervention.

This leaves the option of a U.S.-supported coup. There are also serious political obstacles to this policy, although Congress may be persuaded to give wider latitude for covert action in Panama after the failure in October. To maximize the chances for a successful coup, the U.S. role would have to be substantial and, in the end, might involve direct military action. Given Noriega's capacity for discovering and foiling plots, the United States would need to plan for that contingency. To take this path, the administration needs the support of Congress.

These are stark choices indeed. Although President Bush may gain more support from Congress to act, his options have narrowed. The basic problem is that there is a substantial gap between the ends the United States has defined in Panama and the means it has so far been willing to employ. A successful policy requires adjusting one or the other.

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HOPE AND FOLLY: THE UNITED STATES AND UNESCO, 1945–1985. By William Preston, Jr., Edward S. Herman and Herbert I. Schiller. Minneapolis: University of Minnesota Press, 1989, 367 pp. $45.00 (paper, $16.95).

This is a timely book, appearing as the United States is said to be reconsidering its 1985 withdrawal from UNESCO in light of the reforms undertaken by its new director general, Federico Mayor Zaragoza of Spain. The authors are highly critical of the Reagan Administration's policy toward the organization. However, they fail to sufficiently rebut the accusations that UNESCO was unduly politicized and mismanaged.

BETRAYAL: THE HITLER-STALIN PACT OF 1939. By Wolfgang Leonhard. New York: St. Martin's, 1989, 224 pp. $19.95.

Fifty years after its signing, the German-Soviet nonaggression pact is highly relevant to contemporary developments, due to its additional secret protocol that allowed the Soviet Union to take control of the Baltic states. Leonhard, an active German communist until he escaped to the West in 1949, focuses on the signing of the agreement in 1939 and the shock waves it sent through the world communist movement.

TERRORISM, POLITICS AND THE LAW. By Antonio Cassese. Princeton: Princeton University Press, 1989, 162 pp. $19.95.

Unlike most books on international terrorism, which too frequently consist of righteous exhortations interspersed with a mishmash of examples of terrorist incidents, this is a finely crafted book that examines a single case: the hijacking of the *Achille Lauro* in October 1985 by four Palestinians, and their murder of a wheelchair-bound American passenger. The author, an Italian professor of law at the European University in Florence, deftly evaluates the conflicting attitudes and actions of the American, Italian and Egyptian governments. The American approach he considers too militaristic and rigid. While he contrasts it unfavorably with the willingness of Rome and Cairo to negotiate, they too are faulted for not adequately living up to the norms of international law. One need not agree with all the author's judgments to find this an unusual and excellent essay on the impact of terrorism upon the international community.

JUSTIFYING INTERNATIONAL ACTS. By Lea Brilmayer. Ithaca (NY): Cornell University Press, 1989, 164 pp. $19.95.

This is a thought-provoking book written at what might be viewed as the intersection of political theory, jurisprudence and international relations. The author, a law professor at Yale, makes an important distinction between the traditional "horizontal" approach to international law, in

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which states are coequal actors, and the "vertical" approach, which is dependent upon the relationship between the state and the individual. The latter, she argues, raises the question of legitimacy. Hence, a state's actions outside its borders must be evaluated in terms of the justification that grants the state the right to operate domestically. The reader is forced to think afresh. Were this reinterpretation of international law ever to be widely accepted, it would transform concepts such as the right of intervention and just war.

THE LIBERAL CONSPIRACY: THE CONGRESS FOR CULTURAL FREEDOM AND THE STRUGGLE FOR THE MIND OF POSTWAR EUROPE. By Peter Coleman. New York: Free Press, 1989, 333 pp. $22.95.

The activities of the Congress for Cultural Freedom constitute an important and controversial chapter in the intellectual and political history of Western Europe after World War II. Founded in 1950 in the aftermath of a series of Soviet-sponsored international "peace" conferences, the congress sought to combat the appeal of communist propaganda to intellectual and student circles. By the mid-1960s, with the Vietnam War, détente and the transformation of the liberal-conservative debate, it had lost some of its support; the final death knell was sounded with the revelations of CIA funding. Except for the CIA role, this is a thorough and balanced account by an Australian editor and barrister who found himself involved at a late stage in the congress's existence and had pertinent questions to ask but no special ax to grind.

RETHINKING HUMAN RIGHTS: CHALLENGES FOR THEORY AND ACTION. Edited by Smitu Kothari and Harsh Sethi. New York: New Horizons Press, 1989, 187 pp. $24.50 (paper, $12.50).

While dealing solely and in depth with the question of human rights in India, this book has relevance to the entire Third World. The emphasis on the individual in Western human rights movements, the book suggests, is not altogether apropos in Third World societies where man's "social" self, his group or community, is far more crucial than in the West. The concept of rights must be extended to groups and communities and their relationships with each other; how, for instance, is communal oppression to be handled in a human rights context? Human rights organizations in India need to concentrate less on legal norms and to connect more with social activism. This is an important book that should be read carefully by human rights practitioners in the West. Lucy Despard

General: Military, Technological and Scientific

Gregory F. Treverton

THE MEANING OF THE NUCLEAR REVOLUTION: STATECRAFT AND THE PROSPECTS OF ARMAGEDDON. By Robert Jervis. Ithaca (NY): Cornell University Press, 1989, 266 pp. $21.95.

"A nuclear war cannot be won and must never be fought." So Ronald Reagan and Mikhail Gorbachev affirmed, and so most people believe. The starting point of this masterful book by one of America's preeminent strategists, however, is that while the proposition is accepted, its deeper implications are not grasped. What the nuclear revolution has done is

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magnify in force and compress in time imperatives that were present in the pre-nuclear era; even then the pursuit of unlimited victory was unrealistic. The superpowers seem to have understood the implications of the revolution better in their actions, especially during crises, than in their declared policies. Jervis takes us through those implications in prose so lucid we feel we have known them all along.

CONVENTIONAL ARMS CONTROL AND EAST-WEST SECURITY. Edited by Robert D. Blackwill and F. Stephen Larrabee. Durham (NC): Duke University Press, 1989, 491 pp. $67.50 (paper, $19.95). A Research Volume from the Institute for East-West Security Studies.

This big, important book is a genuine East-West joint venture with its clutch of authors including two who subsequently joined President Bush's National Security Council staff and four who came to form part of the Soviet arms control negotiating teams. The book concentrates on military aspects of arms control, ranging from doctrine to verification, but it sets them in their broader context: conventional arms control cannot be separated from nuclear issues. More important, its ultimate subject is intensely political, nothing less than the future of the two Germanies and the shape of Europe.

FROM HIROSHIMA TO GLASNOST: A MEMOIR OF FIVE PERILOUS DECADES. By Paul H. Nitze. New York: Weidenfeld & Nicolson, 1989, 476 pp. $25.00.

An important contribution to postwar history, by one of the major figures in American foreign policy. His account of the famous "walk in the woods" clears up some of the mystery surrounding this episode.

William G. Hyland

THE GREAT UNIVERSAL EMBRACE: ARMS SUMMITRY—A SKEPTIC'S ACCOUNT. By Kenneth L. Adelman. New York: Simon and Schuster, 1989, 366 pp. $19.95.

Adelman's prose is caustic, and his subject is something of a moving target. The book is strongest as an account of President Reagan's summits by one who was sufficiently "inside" to feel part of the team but "outside" and honest enough to register surprise at some of the proceedings. His theme—that arms control seldom reduces arms—should come as no surprise to any earthling. His argument for strategic defense is passionate but terse and disconnected from the rest of the book; by the same token, his advocacy of tacit or nonnegotiated restraints is as apt a reminder of a good old idea as it was when Adelman made it some years ago in *Foreign Affairs*.

NUCLEAR ARGUMENTS: THE MAJOR DEBATES ON STRATEGIC NUCLEAR WEAPONS AND ARMS CONTROL. Edited by Lynn Eden and Steven E. Miller. Ithaca (NY): Cornell University Press, 1989, 338 pp. $49.95 (paper, $19.95).

DEFENDING DETERRENCE: MANAGING THE ABM TREATY REGIME INTO THE 21st CENTURY. Edited by Antonia Handler Chayes and Paul Doty. Washington: Pergamon-Brassey's, 1989, 286 pp. $32.00.

These two Cambridge-based books both show Paul Doty's fine sensibility. Eden and Miller seek to explicate the underlying issues in the nuclear debate, complete with a model on a computer disk; the effort comes

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late—just as the nuclear issue recedes—but is nonetheless welcome. The Chayes-Doty volume is a meticulous treatment by distinguished contributors of a very specific question: assuming that nuclear deterrence will continue to depend on second-strike retaliation, how can the assuredness, provided by the paucity of strategic defense on both sides, be preserved?

COLLECTIVE DEFENSE OR STRATEGIC INDEPENDENCE? Edited by Ted Galen Carpenter. Washington: Cato Institute/Lexington (MA): Lexington Books, 1989, 310 pp. $40.00.

Those who are familiar with the work of the Cato Institute will not be surprised by this volume. Its main chapters by institute stalwarts Earl Ravenal, Christopher Layne, Alan Tonelson and the editor make the case for disengaging and limiting commitments. However, the volume does present other views, and if the chapters are uneven, they still amount to a thought-provoking attempt at assessing American interests and capabilities in a period of change.

SOVEREIGN ACTS: AMERICAN UNILATERALISM AND GLOBAL SECURITY. By John Tirman. Cambridge: Ballinger, 1989, 256 pp. $24.95.

It is hard to know what to make of this book. It is an argument for restraint, not action, so its title misleads—in its use of the word "unilateralism" particularly. Those whom Tirman, a former editor for *Time* and also the Union of Concerned Scientists, calls "the technicians" will think he treads familiar ground without quite realizing it—for instance in discussing the difficulties of arms control or nonproliferation policy. Others will be put off by the faintly Marxist analysis of American intervention even if they acknowledge that the analysis is not entirely wrong. Tirman's urging an "organic" view of security, one that sees the connectedness of things, is interesting, but his specific guidance is modest.

AMERICA'S DEFENSE. Edited by Michael Mandelbaum. New York: Holmes & Meier, 1989, 334 pp. $45.00 (paper, $24.95).

This carefully edited survey, originally a product of the now-defunct Lehrman Institute, takes up the issues that confront American defense policy—from reforming procurement to what to do about the navy. The authors are the best of a generation that can still be called "younger" who know their subjects, who are mostly conservative but are not ideologues, and who are influential around and in some cases (Dennis Ross, for example) in the Bush Administration.

NEW WEAPONS, OLD POLITICS: AMERICA'S MILITARY PROCUREMENT MUDDLE. By Thomas L. McNaugher. Washington: Brookings, 1989, 251 pp.

Criticizing weapons procurement by comparison to private enterprise is wrong-headed, for the system "has been shaped by a sustained and necessary interaction with the political system"; indeed, that interaction is responsible for the system's most controversial features, some of which "even protect the public interest." This terse history, a pleasure to read, argues for shifting investment away from production toward research and development. It only begins to help the reader think about the politics of reform, but it does begin. For instance, extending competition through

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R&D would give politicians a choice between two weapons, not merely between nothing and something (usually something with subcontracts spread through every relevant congressman's district).

AMERICA'S SECRET POWER: THE CIA IN A DEMOCRATIC SOCIETY. By Loch K. Johnson. New York: Oxford, 1989, 344 pp. $24.95.
INTELLIGENCE REQUIREMENTS FOR THE 1990s: COLLECTION, ANALYSIS, COUNTERINTELLIGENCE AND COVERT ACTION. Edited by Roy Godson. Lexington (MA): Lexington Books, 1989, 269 pp. $45.00.

Johnson's book is a welcome addition to a spate of books published recently on this subject. An experienced congressional overseer of intelligence, he writes in clean, easy prose about the covert actions that grab the headlines but, happily, his book ranges across the agency's functions. It is imbued throughout with good sense about how secret intelligence and democratic society can be made to coexist. The Godson volume, a product of the Consortium for the Study of Intelligence, is dominated by the perspective of intelligence practitioners in the executive branch, but its chapters and discussion are a useful summary of the issues that confront American intelligence.

General: Economic and Social

William Diebold, Jr.

SOLVING THE GLOBAL DEBT CRISIS: STRATEGIES AND CONTROVERSIES FROM KEY STAKEHOLDERS. Edited by Christine A. Bogdanowicz-Bindert. New York: Harper & Row, 1989, 272 pp. $39.50.

Bankers, officials and politicians in debtor and creditor countries make up most of the contributors whose "positions and prescriptions . . . are irreconcilable," as the editor says. With experience going back to Zaïre's debts in the 1970s, she gives shape to the book by a perceptive, clear analysis justifying her conclusion that "pessimism is called for."

THE FUTURE OF THE INTERNATIONAL MONETARY SYSTEM. Edited by Omar F. Hamouda, Robin Rowley and Bernard M. Wolf. Armonk (NY): Sharpe, 1989, 223 pp. $39.95.

Digging deeper than most, this volume includes several long analyses of the debt problem and good statements of the case for an international monetary system based on paper, commodities, gold, purchasing power parity and modified Bretton Woods principles, among other things. Younger experts appear along with such veterans as Edward Bernstein, Albert Gailord Hart and Robert Triffin. More than one is, as Robert Solomon calls himself, "a reformed international monetary reformer." Naturally there is no consensus but many are attracted by that elusive pimpernel, the coordination of macroeconomic policies.

DEPENDENCE, DEVELOPMENT, AND STATE REPRESSION. Edited by George A. Lopez and Michael Stohl. Westport (CT): Greenwood Press, 1989, 286 pp. $47.95.

The editors prudently refrain from trying to draw general conclusions from these very diverse papers, most of them case studies. However, the contributors have many ideas about the links between a country's political

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and economic development and the chances that there will be "repressive violence of government against its own citizens."

MYTHS AND REALITIES OF FOREIGN INVESTMENT IN POOR COUNTRIES. By John M. Rothgeb, Jr. New York: Praeger, 1989, 168 pp. $39.95.

One has to be skeptical of quantitative tests of conflicting ideas about the effects of foreign investment on the internal politics, foreign policies and economic growth of a large number of developing countries. However, Professor Rothgeb makes useful distinctions, arrives at clearly expressed eclectic conclusions, and points to some specific needs for further research. His frequently ingenious choice of measurements will not escape challenge, but the book is an excellent antidote to popular generalizations.

INCENTIVES FOR DEVELOPMENT: THE KEY TO EQUITY. By Denis Goulet. New York: New Horizons Press, 1989, 208 pp. $28.50 (paper, $14.50).

To achieve true development a country must provide its people with a combination of material rewards and moral (or psychological) incentives, according to Dr. Goulet, Professor of Education for Justice at Notre Dame. An examination of several aspects of Brazilian experience and briefer comparisons of a number of countries—capitalist and socialist, developed and less so—support the general arguments and add interest to the book.

TRADE POLICY AND MARKET STRUCTURE. By Elhanan Helpman and Paul R. Krugman. Cambridge: MIT Press, 1989, 191 pp. $24.95.

Professor Krugman of MIT has been a leader in economists' belated effort to make international trade theory more realistic by taking account of imperfect competition. Here he and Professor Helpman of Tel Aviv provide a valuable distillation of the implications of this work for trade policy. Often "perverse . . . nonconventional . . . and full of paradoxes," the findings do not sweep away earlier reasoning as completely as some people have thought. The text is heavy with algebra and graphs, but there is enough clear prose to permit lay readers to find out where matters stand.

The United States

Gaddis Smith

WARTIME. By Paul Fussell. New York: Oxford, 1989, 330 pp. $19.95.

This much-discussed book is a riveting, brilliantly written, richly anecdotal account of the absurdities, stupidities, and dehumanizing banalities of military behavior, largely British and American, during the Second World War—a sustained elaboration of the famous acronym: SNAFU. It is controversial because of the dubious implication that the 1939–1945 war was without meaning, fought by enemies who were equally bankrupt morally.

CONFLICT AND CONSENSUS: THE STRUGGLE BETWEEN CONGRESS AND THE PRESIDENT OVER FOREIGN POLICYMAKING. By Gerald Felix Warburg. New York: Harper & Row, 1989, 323 pp. $29.95.

The author, an experienced Senate staff member specializing in foreign and defense policy, treats a very old subject with balance and clarity. In calling for a partnership he criticizes both the presidential tendency to

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launch initiatives without congressional participation and the lack of centralized authority and general disorderliness of Congress. The historical sections contain familiar material, but the discussion of the last 15 years is rich with specific detail.

SHARING WORLD LEADERSHIP? A NEW ERA FOR AMERICA AND JAPAN. Edited by John H. Makin and Donald C. Hellmann. Washington: American Enterprise Institute, 1989, 274 pp. $24.95.

The tone of these essays is hortatory and the primary focus is on security. Two messages stand out: the most critical issue in U.S. foreign policy is the relationship with Japan, and the United States must take the initiative in reshaping relations with Japan in the direction of a more equal alliance. The book also misinterprets and then challenges the ideas of Paul Kennedy concerning the relative decline of American power.

OUT OF THE COLD: NEW THINKING FOR AMERICAN FOREIGN AND DEFENSE POLICY IN THE 21st CENTURY. By Robert S. McNamara. New York: Simon and Schuster, 1989, 233 pp. $18.95.

Robert McNamara served as secretary of defense during the Kennedy and most of the Johnson administrations. In the two decades since he left the Pentagon he has been consistently thoughtful and constructively critical about past American behavior, including his own, and about prospects for the future. In this volume he succinctly describes how the cold war distorted both American and Soviet values; he describes Gorbachev's "new thinking" and pronounces it genuine, and argues that the West can respond more creatively and without undue risk even should Gorbachev fail.

AMERICA AT CENTURY'S END. By James Schlesinger. New York: Columbia University Press, 1989, 113 pp. $18.95.

This essay contemplates the tension between the inefficiency and disorder that is a consequence of a free, democratic society and the need, especially in foreign policy, for stability and continuity. Schlesinger advocates such good things as more talented public servants and greater discipline and realism in facing the nation's problems. He is optimistic about the future.

ROOSEVELT & HITLER: PRELUDE TO WAR. By Robert Edwin Herzstein. New York: Paragon House, 1989, 420 pp. $24.95.

The value of this book lies in its detailed description of the failed Nazi efforts, overt and covert, to influence American opinion in the years 1933–41. The treatment of FDR's policies, while sound, is less original.

CONFESSIONS OF AN ORIGINAL SINNER. By John Lukacs. New York: Weidenfeld & Nicolson, 1989, 331 pp. $18.95.

This commentary on the intellectual history of twentieth-century Europe and America, cast in the form of autobiography by a Hungarian-born historian who came to the United States immediately after World War II, is beautifully written. It reflects the author's independent conservatism and his conviction that ideas count, that they shape material conditions rather than standing as mere emanations of those conditions.

PATTERN OF CIRCLES: AN AMBASSADOR'S STORY. By John E. Dolibois. Kent (OH): Kent State University Press, 1989, 314 pp. $24.00.

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The author, born in Luxembourg, served as an intelligence officer in the U.S. Army during and after World War II. His principal assignment, recounted in fascinating chapters in this engaging autobiography, was to help guard and interrogate the top Nazi war criminals. After a career as an academic administrator he served as U.S. ambassador to Luxembourg 1981–85.

The Western Hemisphere

Abraham F. Lowenthal

THE CHILEAN POLITICAL PROCESS. By Manuel Antonio Garreton. Boston: Unwin Hyman, 1989, 220 pp. $15.95 (paper).

Chile's foremost political scientist has drawn together and updated several works previously published in Spanish to present a comprehensive and systematic introduction to his country's politics. Garreton considers the essential workings of Chile's political system before its disruption in 1973; dissects the emergence and institutionalization of the country's military regime after 1973; analyzes the rise of an increasingly unified and successful political opposition to the military regime; and explains the opposition's success in the 1988 plebiscite that signaled the beginning of the end for the long Pinochet dictatorship. An important book.

MODERN CHILE, 1970–1989: A CRITICAL HISTORY. By Mark Falcoff. New Brunswick: Transaction, 1989, 327 pp. $32.95.

A vigorously argued contribution to the considerable literature analyzing the rise and fall of Salvador Allende's Popular Unity government in Chile, the only democratically elected Marxist regime in the hemisphere to date. Falcoff's emphasis is on political fault lines that made Allende's government vulnerable from the start: a weak electoral majority, an internally inconsistent governing coalition and an economic policy that polarized both its supporters and its opponents. In lawyer-like fashion, Falcoff counters the prevailing tendency, as he sees it, to exaggerate the U.S. role in weakening Allende's regime. A brief final chapter discusses the 16-year Pinochet dictatorship, the aftermath of Allende's three-year rule.

GOVERNING MEXICO: THE STATECRAFT OF CRISIS MANAGEMENT. By John J. Bailey. New York: St. Martin's Press, 1988, 238 pp. $49.95.

A cogent analysis of how Mexican institutions are likely to respond to the country's current economic and political difficulties. Although he is optimistic about the capacity of Mexican institutions to adopt change, Bailey shows that severe economic and political tensions will require significant reforms. Required reading for analyzing Mexico's ongoing transformation.

DEMOCRACY IN DEVELOPING COUNTRIES: LATIN AMERICA. Edited by Larry Diamond, Juan J. Linz and Seymour Martin Lipset. Boulder (CO): Lynne Rienner, 1989, 515 pp. $40.00 (paper, $15.95).

Part of a four-volume study organized by the Hoover Institution and funded primarily by the National Endowment for Democracy, this very useful book systematically analyzes the historical, cultural, social, economic, political and international factors that have shaped the possibilities for

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stable democracy in ten Latin American countries: Argentina, Brazil, Chile, Uruguay, Venezuela, Colombia, Peru, Costa Rica, Mexico and the Dominican Republic. Well-qualified country specialists have contributed individual chapters on these countries.

PAYING THE COSTS OF AUSTERITY IN LATIN AMERICA. Edited by Howard Handelman and Werner Baer. Boulder (CO): Westview Press, 1989, 266 pp. $44.50.

Ten economists and three political scientists contribute essays on economic stabilization and adjustment policies in a variety of different Latin American countries during the past decade. Collectively, they seek to determine what difference the type of regime makes for the relative success of austerity programs. The absence of systematic comparison precludes firm conclusions, but the overall impression the book leaves is that deeper internal structures and international circumstances are as important as whether a regime is authoritarian or democratic in determining whether an austerity program will be effectively implemented.

THE USSR AND LATIN AMERICA: A DEVELOPING RELATIONSHIP. Edited by Eusebio Mujal-Leon. Boston: Unwin Hyman, 1989, 408 pp. $39.95.

Latin Americanists and Sovietologists, Latin American and North American, have collaborated in this well-edited collection, seeking evolving patterns in Soviet behavior in the western hemisphere that may presage future trends in the relationship. The Soviet Union's presence in Latin America has grown steadily but slowly during the past thirty years, taking advantage of anti-U.S. movements and impulses from Latin America but usually without directly confronting the United States. The editor and several of the contributors suggest that Soviet activities in Latin America are likely to continue to grow in the 1990s, although it may be asked whether the significant changes in priorities implied by perestroika could actually diminish the Soviet interest in developing countries in general and Latin America in particular.

THE PROGRESSIVE CHURCH IN LATIN AMERICA. Edited by Scott Mainwaring and Alexander Wilde. Notre Dame (IN): University of Notre Dame Press, 1989, 352 pp. $32.95.

Nine scholars, four of them from Latin America, apply the insights of anthropology, history, sociology, law and political science in this superb symposium on the emergence of important sectors of the Catholic Church committed to social, economic and political reform. Focusing on Brazil, Peru, Nicaragua and El Salvador, the authors analyze the nature, causes and consequences of progressive change within the church, the relationship of religious and theological currents to politics and society, and the relative importance of national context and broad international and institutional forces. In a major interpretive essay, the editors argue that progressive church forces have grown most under dictatorship, provided they had hierarchical leadership or support, and have been more divided and weaker in regimes of even limited democratic competition.

THE WOMEN'S MOVEMENT IN LATIN AMERICA: FEMINISM AND THE TRANSITION TO DEMOCRACY. Edited by Jane S. Jaquette. Boston: Unwin Hyman, 1989, 215 pp. $39.95 (paper, $14.95).

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The human rights activism of women in Argentina is well known through the Mothers of Plaza de Mayo, formed in 1977 to protest the disappearance of their children at the hands of the military. This collection is useful in dispelling the notion that such activism by women is all but absent elsewhere in Latin America. Essays describe the growth of women's groups under authoritarian regimes in Brazil, Uruguay, Peru and Chile as well as Argentina, and their force in the new democracies.

Linda Robinson

MEMOIRS OF A COUNTERREVOLUTIONARY. By Arturo Cruz, Jr. New York: Doubleday, 1989, 226 pp. $19.95.

This gossipy, anecdotal account brings the Nicaraguan revolution and counterrevolution alive, laying bare the peccadillos and conspiracies of both sides. Famous for his liaison with Fawn Hall, the author was in turn a propagandist and adviser to the Sandinistas, the southern and then the northern "fronts" of the contras. His and others' constant intrigues and personal rivalries, which shaped both the radicalizing revolution and the failing insurgency, are portrayed as Nicaraguan traits. Cruz's zeal to "play the game," as he puts it, helps explain why he stayed with men such as Eden Pastora and Oliver North who, he says, "lived deeply within the world of inner fantasy." His relationship with his prominent father, a moderate who played key roles on both sides, remains shrouded.

Linda Robinson

THE DOMESTIC BATTLEGROUND: CANADA AND THE ARAB-ISRAELI CONFLICT. Edited by David Taras and David H. Goldberg. Montreal: McGill-Queen's University Press, 1989, 250 pp. $29.95.

The essays in this volume comprise an original and valuable analysis of Canadian policy toward Israel from the 1940s to the present with special attention to the efforts of the Canadian Jewish community and other nongovernmental entities to shape that policy. Gaddis Smith

Western Europe

Fritz Stern

ARCHITECT OF EUROPEAN UNITY: MEMOIRS 1911–1986. By Robert Marjolin. London: Weidenfeld & Nicolson, 1989, 457 pp. £18.95.

The recollections of an extraordinary man who, from nearly the lowest rungs of French society, rose to successive and distinguished careers in national and international politics, journalism and business. During and after the war an admiring if critical associate of Jean Monnet, Marjolin, a practical political economist, played a major role in the implementation of the Marshall Plan and served as the first secretary-general of the OEEC, since transformed into the OECD. He was equally important in the founding of the European Community and was a vice-president of the European Commission from 1958 to 1967. Of the Marshall Plan he wrote: ". . . the most dazzling political and economic success in the history of the Western world since 1914."

A portrait of a patriot, a European, and a true friend of the United States: vivid, absorbing, deeply appealing. Invaluable for anyone interested in French culture in our century, in the vagaries of the post-1945 world, or

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in the life of a rare species: a cultivated man of thought, action, charm and wisdom.

SEVEN YEARS IN FRANCE: FRANÇOIS MITTERRAND AND THE UNINTENDED REVOLUTION, 1981–1988. By Julius W. Friend. Boulder (CO): Westview Press, 1989, 249 pp. $34.95.

An intelligent and highly readable account of the Mitterrand years that, Friend argues, have changed the political landscape of France. The left's rejection of communism, the rise of Le Pen, and the Socialists' own change from doctrinaire to pragmatic politics are analyzed, and Mitterrand's personal achievements—the very durability of his presence—are put in a broader context. A very good example of instant history.

IN HITLER'S SHADOW: WEST GERMAN HISTORIANS AND THE ATTEMPT TO ESCAPE FROM THE NAZI PAST. By Richard J. Evans. New York: Pantheon, 1989, 196 pp. $18.95 (paper, $8.95).

Yet another detailed review of the recent German controversy over the Nazi past. Evans emphasizes that the right-wing historians have had a considerable and deleterious effect on the political culture of the Federal Republic. A book, sober and restrained, that regrets the polemical tone of the German debate and essentially reaffirms the view of liberal historians regarding the causes and consequences of National Socialism.

A GERMAN IDENTITY, 1770–1990. By Harold James. New York: Routledge, 1989, 240 pp. $25.00.

A young British historian, now teaching in the United States, presents a non-German view of the perennial question "What is German?" Part conventional history from the end of the eighteenth century to the present, part clever insights into this history. James considers as crucial the role of economic power as an ingredient in German nationalism and argues that that component will have a decisive part in shaping the future of the two Germanies. He rejects the notion of a special path in German history, but implicit in his analysis is a worry about German identity and stability in the future. An uneven and pleasantly unpredictable book.

NEW POLITICS IN WESTERN EUROPE: THE RISE AND SUCCESS OF GREEN PARTIES AND ALTERNATIVE LISTS. Edited by Ferdinand Müller-Rommel. Boulder (CO): Westview Press, 1989, 230 pp. $25.00.

A survey of Green parties in 12 European countries, by young academics from the United States and Europe, but all writing in the prevailing American idiom of the social sciences. Informative, but narrowly specialized.

JOY IN WORK, GERMAN WORK. By Joan Campbell. Princeton: Princeton University Press, 1989, 431 pp. $37.50.

A careful study of German thought from preindustrial to National Socialist on the nature of work, on its centrality in human life, its degradation in a mechanized world, and on the possibility of rationalizing and improving work, in part by emulating American practices such as Taylorism. A historical monograph that explores a major strand in German culture and in German self-definition.

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CHALLENGING DE GAULLE: THE O.A.S. AND THE COUNTER-REVOLUTION IN ALGERIA, 1954–1962. By Alexander Harrison. New York: Praeger, 1989, 192 pp. $39.95.

Through interviews and unpublished documents, this book seeks to plumb the motivations, actions, and subsequent fate of the members of the Organisation Armée Secrète (OAS), which battled the Algerian liberation movement FLN. These men were mostly *pieds-noirs*, settlers in Algeria descended from poor immigrants from all parts of southern Europe. They were fanatically attached to Algeria's association with France but were effectively "sold out" (in their view) by the Evian accords. An interesting exploration of a strange slice of history, strangely poignant.

Lucy Despard

ULTRA AND MEDITERRANEAN STRATEGY. By Ralph Bennett. New York: Morrow, 1989, 496 pp. $25.00.

Like the author's *ULTRA in the West* (reviewed in *Foreign Affairs*, Winter 1980/81) this account and analysis, by a professional historian who was deeply involved in ULTRA, is carefully documented, penetrating and critical. The range of decisions in the Mediterranean was wide, and many remain controversial, so that the use of recent interviews with top officers in the British command on how particular decisions were (or should have been) affected by ULTRA adds a particularly important dimension in an area the official historians of British intelligence have been too constrained to address in any systematic fashion. The result is new insights on the North African campaigns, the 1941 decision to stand in Greece, whether the Italian front was short-changed from mid-1944 on, an enlightening chapter on ULTRA's contribution to the crucial decision to support Tito rather than Mihailović in Yugoslavia, and a coda packed with wisdom on the link between intelligence and operational decisions necessarily based on inadequate evidence. In all, this belongs, together with his first book, on the short shelf of genuine classics in the literature of ULTRA and thus the Allied conduct of World War II.

William P. Bundy

The Soviet Union and Eastern Europe

John C. Campbell

LET HISTORY JUDGE: THE ORIGINS AND CONSEQUENCES OF STALINISM. Revised and expanded. By Roy Medvedev. New York: Columbia University Press, 1989, 903 pp. $57.50.

This is a new and enlarged volume, chock full of material not to be found anywhere else and constituting an overwhelming indictment of Stalin and his system. The vital center of the book is the treatment of the purges and other monstrous crimes of the 1930s, when Stalin established dictatorial power at the expense of the lives of his colleagues and rivals and of millions of ordinary citizens. Here Medvedev is at his best, bringing evidence and testimony to bear and taking issue with those of differing views when he sees fit. The latter part of the book, covering Stalin's conduct of the war and the domination of Eastern Europe, though well founded in its facts and analysis, is less detailed and less absorbing. The author has his own vigorously defended views on Stalinism's place in history and its

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relation to Leninism. As an historian, however, he has but one goal, the truth.

STALIN AND THE KIROV MURDER. By Robert Conquest. New York: Oxford, 1989, 164 pp. $16.95.

A searching inquiry into the crime that the author rightly calls "a crux in the establishment of the Stalin autocracy" and also "a crucial issue in the attempt in the U.S.S.R. to face the truth of the Stalin epoch." Conquest marshals abundant evidence pointing to Stalin's guilt but does not definitely prove it. Soviet historians and political leaders, in the spirit of glasnost and in the wake of the rehabilitation of Bukharin, may be on the verge of coming forward with conclusive evidence.

BEYOND PERESTROIKA: THE FUTURE OF GORBACHEV'S USSR. By Ernest Mandel. London and New York: Verso, 1989, 214 pp. $60.00 (paper, $18.95).

Gorbachev's new thinking and new policies described and judged from a Marxist (Trotskyist) point of view. The Soviet leader, according to Mandel, is attempting radical—but not revolutionary—reforms from above, but is caught between the bureaucracy and the pressures for revolutionary change from below; hence, his dilemmas and his high risks. There are stimulating insights here, even if one rejects the overall thesis.

GORBACHEV'S STRUGGLE FOR ECONOMIC REFORM. By Anders Aslund. Ithaca (NY): Cornell University Press, 1989, 219 pp. $38.50 (paper, $12.95).

The word "struggle" is apt. By searching through the economic literature and by intelligent use of Sovietology, Aslund is able to reconstruct the disagreements, debates and compromises that have marked the process of reform over the past few years. An impressive book, written with cool realism by a Swedish economist who draws on his experience at Sweden's embassy in Moscow in 1984–87.

THE LAST GREAT GAME: USA VERSUS USSR. By Paul Dukes. New York: St. Martin's, 1989, 209 pp.

This is no run-of-the-mill history of the cold war. Rather, it is an inquiry with a longer historical reach, into factors of national experience and political culture, the nature of great power rivalry (e.g., the earlier great game between Britain and Russia), the significance of the divergent messages of Wilson and Lenin, the different stages of the process of modernization, and, following the themes of the Braudel school of history, the influence of short-term and long-term realities. A learned and occasionally pretentious book, broad in scope and often refreshingly sharp in its comments.

THE SOVIET WITHDRAWAL FROM AFGHANISTAN. Edited by Amin Saikal and William Maley. New York: Cambridge University Press, 1989, 177 pp.

While it is still too early for a full-fledged study of the Soviet withdrawal and what it means, this book written largely by Australian scholars serves very well as a guide to where things stood at the time of the Geneva accords of 1988 and the beginning of the withdrawal of Soviet troops. The book provides many keys to an understanding of coming developments as they

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unfold. On the subject of Soviet motivations and how the decision to pull out was reached, much still remains to be learned.

SOVIET POLICY PERSPECTIVES ON WESTERN EUROPE. By Neil Malcolm. New York: Council on Foreign Relations Press (for the Royal Institute of International Affairs), 1989, 117 pp. $14.95 (paper).

The writings of Soviet experts on international relations provide the material for this careful and well-argued survey of how Soviet perspectives have fluctuated and changed over the past ten years or so. Malcolm asks the key questions and his book answers them at least partially, although unknowns remain both because of Soviet secretiveness and because Soviet leaders themselves have been uncertain or have chosen to keep their options open. He finds strong signs of major change since the mid-1980s toward acceptance of the realities of the strength and permanence of the European Community and the cohesiveness of the Western alliance. The propaganda about the "common European home," at least for now, can be read in that light.

UNITED STATES-EAST EUROPEAN RELATIONS IN THE 1990s. Edited by Richard F. Staar. New York: Crane Russak, 1989, 332 pp. $47.50 (paper, $27.00).

The format is an interesting and useful one: academic experts sketch the current state of affairs in individual countries (the Warsaw Pact states plus Yugoslavia and Albania), and then present or former diplomats discuss policy. The contributors are well chosen, many are well known, and the book is informative. However, any such attempt to read the future invites skepticism. These authors should be required to read in 1999 what they have written in 1989.

SAMIZDAT AND AN INDEPENDENT SOCIETY IN CENTRAL AND EASTERN EUROPE. By H. Gordon Skilling. Columbus: Ohio State University Press, 1989, 293 pp. $30.00.

EAST EUROPEAN FAULT LINES: DISSENT, OPPOSITION, AND SOCIAL ACTIVISM. By Janusz Bugajski and Maxine Pollack. Boulder (CO): Westview Press, 1989, 332 pp. $42.40.

Many writers of late have dwelt on the subject of dissent in communist countries, and on ways in which an "alternative society" or "independent polity" has been created outside and in opposition to the official order. Gordon Skilling presents his own thoughts and theories on these phenomena and provides data on what has actually happened in samizdat publication, cultural expression, independent historical writing and other activities. He draws his examples from the U.S.S.R. and all the East European countries, but the main story is Czechoslovakia, of which he has knowledge unmatched among Western scholars. *East European Fault Lines* is limited to six countries but is a more ambitious book in attempting to cover the history of government and opposition in all of them and all the ways in which dissent has manifested itself. Although the text is rather heavily laden with names and dates, they serve a purpose—the total picture of the alternative society that the authors draw, stressing differences as well as common trends within the region and highlighting the example of Poland, is full of promise for continuing change at the expense of Marxist-Leninist orthodoxy.

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THE USES OF ADVERSITY: ESSAYS ON THE FATE OF CENTRAL EUROPE. By Timothy Garton Ash. New York: Random House, 1989, 306 pp. $19.95.

Those who missed reading Garton Ash's articles over the past decade in *The New York Review of Books, The Spectator* and elsewhere now have the opportunity to read them together in one volume. Some are dated, but the commentary is always insightful, often brilliant, and as pertinent today as then.

NICOLAE CEAUŞESCU: A STUDY IN POLITICAL LEADERSHIP. By Mary Ellen Fischer. Boulder (CO): Lynne Rienner, 1989, 324 pp. $42.50.
ROMANIA: A CASE OF "DYNASTIC" COMMUNISM. New York: Freedom House, 1989, 119 pp. $19.50 (paper, $8.75).
THE RAZING OF ROMANIA'S PAST. By Dinu C. Giurescu. Washington: United States Committee, International Council on Monuments and Sites, 1989, 68 pp. (Washington: Preservation Press, distributor, $19.95).

Any full assessment of Ceauşescu and his role in history must await his departure from the public stage and the availability of much more evidence. What Professor Fischer has done, with scholarly care and impartiality, is to describe his political methods and his strategies of leadership against the background of his Marxist ideology and the traditional political culture of Romania. The general theme is the passage from achievement and hope in the early years to failure and despair in the 1980s; for the Romanian people even the early years were not that great. The Freedom House book, the record of a roundtable discussion by a group of intellectuals of Romanian and Hungarian origin, says many of the same things about Ceauşescu's Romania as does Mary Ellen Fischer, though in less restrained terms. The Giurescu book gives chapter and verse on Ceauşescu's wholesale destruction of architectural treasures and entire villages in the name of socialism and "collectivization."

The Middle East

John C. Campbell

A PEACE TO END ALL PEACE: CREATING THE MODERN MIDDLE EAST, 1914–1922. By David Fromkin. New York: Henry Holt, 1989, 635 pp. $39.95.

David Fromkin brings a fresh approach and exemplary diligence in exploring British policy in the Middle East in World War I and the peace settlement. The canvas is broad, from the Mediterranean to Afghanistan, and the well-known campaigns, crises and controversies all have their place in it. So do the leading actors, and they are sharply etched, especially Winston Churchill. Fromkin's history is made by men rather than by impersonal forces, though he reaches the clear conclusion that the men whose visions of empire brought most of the Middle East into Britain's orbit did not create a structure that could last, once social and political forces within the region asserted themselves and once the British themselves ceased to believe in that structure.

FROM BEIRUT TO JERUSALEM. By Thomas L. Friedman. New York: Farrar, Straus & Giroux, 1989, 525 pp. $19.95.

Thomas Friedman proved himself a first-class foreign correspondent

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over the past decade. In this book he does more than repeat or elaborate on his reporting. He takes the reader with him on an exploration, through his personal experience, contacts and conversations, into the complex societies of Lebanon and Israel; into the historical, social and political forces and the idiosyncrasies of individuals that have shaped events and produced so much misunderstanding and violence. In his own words, speaking of Lebanon, he saw "the boundaries of men's compassion alongside their unfathomable brutality, their ingenuity alongside astounding folly, their insanity alongside their infinite ability to endure." A book that, if it does not untangle the complexities of the Middle East, sheds much light on them.

LEBANON: DEATH OF A NATION. By Sandra Mackey. New York: Congdon & Weed, 1989, 304 pp. $22.95.

A talented journalist's portrait of Lebanon, written in brisk and easy style for the general reader. It is accurate on the whole, demonstrates a firm grasp of the country's history and politics, and shows no respect for the myths that have clothed Lebanon's "golden age" of the years before 1975 when the current civil wars began, or for the self-serving policies of outsiders fighting their own battles on Lebanese soil.

JERUSALEM: CITY OF MIRRORS. By Amos Elon. Boston: Little, Brown, 1989, 286 pp. $19.95.

This book, finely written and very readable, is at the same time disturbing. Elon's contention, and convincing demonstration, that religious fanaticism and communal violence are deeply ingrained in Jerusalem's geography and its long history (four thousand years) leave little hope for the "city of mirrors." Particularly troubling are his accounts of the "Third Temple" activists, who are bent on destroying the great Muslim Dome of the Rock and reclaiming the site (the Temple Mount) for Judaism. Elon cites the Arab geographer Muqaddasi who ten centuries ago wrote: "Jerusalem is a golden basin filled with scorpions." Lucy Despard

WARRIOR: AN AUTOBIOGRAPHY. By Ariel Sharon with David Chanoff. New York: Simon and Schuster, 1989, 571 pp. $24.95.

Sharon tramps through the pages of his autobiography just as he has tramped through Israel's wars and politics, as a bold, courageous, patriotic, aggressive, obsessive, ambitious, deluded, self-satisfied and self-advertising man, and withal a very human and sincere one. If you have liked him in life, and maybe if you have not, you should like the book. It is an important one because, although the events he describes, from the war of independence to the war in Lebanon, are generally familiar, this is his version of them, his personal experience, his defense of his actions and judgments, his reasons why he was right and why Dayan, Bar-Lev, Elazar, the Kahan commission, Time Inc., and many others were wrong. The book is campaign literature as well as autobiography. Sharon surely aspires to be "King of Israel." If he succeeds, the world should know what to expect.

THE EMERGENCE OF A BINATIONAL ISRAEL: THE SECOND REPUBLIC IN THE MAKING. Edited by Ilan Peleg and Ofira Seliktar. Boulder (CO): Westview Press, 1989, 243 pp. $29.50 (paper).

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The prolonged Israeli occupation of the West Bank and Gaza has created something in the nature of a binational reality even though there is no agreement on what it is or how it could or should develop. While the idea of a binational Israel lacks support anywhere, the topic opens up a field of inquiry into which the authors of this book, American and Israeli scholars, have dared to tread. They have done so with reason and with hope.

STUDENTS AND UNIVERSITY IN TWENTIETH CENTURY EGYPTIAN POLITICS. By Haggai Erlich. London: Frank Cass, 1989, 268 pp. (Savage, MD: Rowman & Littlefield, distributor, $35.00).

Genuine and objective scholarship has gone into this study by an Israeli scholar, although Egyptian experts may hold some dissenting views on some aspects. Erlich traces the history of Egyptian secular university education, taking account of the intimate connection with the rise of nationalism, the current of modernization and, in the years before the revolution of 1952, the shifting relationships involving the British, the palace, the Wafd and other parties and movements, and the politically conscious and often volatile student organizations. The coverage of the Nasser and Sadat periods is briefer and not as well documented, but still solid.

BAHRAIN: THE MODERNIZATION OF AUTOCRACY. By Fred H. Lawson. Boulder (CO): Westview Press, 1989, 146 pp. $32.00.

A brief introduction and guide to the history, politics and economy of Bahrain, written for the general reader.

Asia and the Pacific

Donald S. Zagoria

ONE STEP AHEAD IN CHINA: GUANGDONG UNDER REFORM. By Ezra F. Vogel. Cambridge: Harvard University Press, 1989, 510 pp. $29.95.

This is a landmark volume that describes in enormous detail the breakneck pace of change in one Chinese coastal region, Guangdong province, adjacent to Hong Kong. It is based on interviews and research that the author has conducted on annual visits to Guangdong since 1980. He describes the striking changes: paved roads; streets jammed with taxis, cars, vans and motorbikes; stores filled with goods and customers; new buildings and construction sites; a tripling of average per capita income between 1980 and 1987. These changes were sparked by a new coastal strategy. Mao had taken resources from coastal areas to build up the provinces of inner China but Deng, and the reform leadership led by Zhao Ziyang, decided to allow the coastal areas to move ahead more rapidly. This strategy is now under attack by the conservative coalition currently in control in China, but Vogel's book demonstrates why it will be extremely difficult for the conservatives to reverse the reform process in Guangdong. This book will stand as one of the major contributions to the literature on contemporary China and to the literature on economic development.

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CHINA BRIEFING, 1989. Edited by Anthony J. Kane. Boulder (CO): Westview Press (with the China Council of The Asia Society), 1989, 159 pp. $29.95 (paper, $14.85).

This collection of essays was written prior to the June 1989 crackdown, but the insights of the various authors shed considerable light on the struggle over power and policy that culminated in the tragedy. In spelling out the intraparty leadership struggle that was sharpening throughout 1988, the authors provide keen insights into the political atmosphere that led up to the June events.

IF EVERYBODY BOUGHT ONE SHOE: AMERICAN CAPITALISM IN COMMUNIST CHINA. By Graeme Browning. New York: Farrar, Straus & Giroux, 1989, 239 pp. $18.95.

This is a very readable account of the American business experience in China. The work, several years in preparation, illuminates not just the difficulties of doing business in China but the larger, staggeringly complex social and political problems confronting China's quest for modernization.

TIANANMEN DIARY: THIRTEEN DAYS IN JUNE. By Harrison E. Salisbury. Boston: Little Brown, 1989, 176 pp. $10.95 (paper).

Harrison Salisbury is a distinguished American journalist who has written a score of valuable books on Russia, China and the United States during his long career. In this slim volume, Salisbury provides us with his diary of the 13 days in China at the time of the Tiananmen massacre and concludes with the following: "Back in Connecticut following Tiananmen and its aftermath, I think I have been able to fill out the story of the massacre—how it happened, why it happened, who was responsible, and what lies ahead."

STRATEGIC PRAGMATISM: JAPANESE LESSONS IN THE USE OF ECONOMIC THEORY. By Michèle Schmiegelow and Henrik Schmiegelow. New York: Praeger, 1989, 212 pp.

This brilliant and provocative book, although written in a difficult academic style, is a *tour de force* that argues that Japanese-type economic policies can be duplicated in other capitalist states and that it is a mistake to believe that such policies can only evolve in the unique environment of Japanese culture and society. The Japanese case, say the authors, shows that there is no need for a large public sector in order to provide guidance to entrepreneurs. Talk about the Japanese Superstate is inaccurate; it would be more appropriate to speak of the Japanese Super Private Sector. The real lesson of the Japanese case is that "noncoercive, rational, market-oriented public guidance is possible and that dynamic private sectors are receptive to, and frequently in need of, such guidance in order to share the burden of risks."

PACIFIC-ASIAN ECONOMIC POLICIES AND REGIONAL INTERDEPENDENCE. Edited by Robert A. Scalapino and others. Berkeley: Institute of East Asian Studies, University of California, 1989, 352 pp. $20.00 (paper).

This volume contains a number of valuable essays on the growing regional economic interdependence in the Pacific. There is a particularly useful essay by Robert Campbell on Soviet economic policy in the Pacific

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that concludes that there is little basis for rapidly expanding economic activity in the Soviet Far East or in Soviet trade with Asia. Russia's natural economic partner, he concludes, is Western Europe.

BREAKING THE CURFEW. By Emma Duncan. New York: Viking, 1989, 305 pp. $22.95.

The South Asia correspondent of *The Economist* provides here a vignette of the life in Pakistan that few people read about in the newspapers. The first part is a series of well-written essays on the unique character of Pakistan; the second takes up various "classes" of people—businessmen, politicians, soldiers and landowners—who are important in Pakistani society and politics. Also included is one of the last interviews given by President Zia ul-Haq before his death last year. Patricia Dorff

Africa

Jennifer Seymour Whitaker

NO ONE CAN STOP THE RAIN: GLIMPSES OF AFRICA'S LIBERATION STRUGGLE. By George M. Houser. New York: Pilgrim Press, 1989, 388 pp. $15.95 (paper).

A longtime American activist on behalf of African liberation, telling his own story, gives us an invaluable chronicle of the African struggle from the preindependence era of the 1950s to the installation of the majority-rule government in Zimbabwe in 1980. The focus is on the extraordinary African leaders he came to know. He recounts his personal experience of Africa's founding fathers with great sympathy and narrates the twists and turns of their careers. A highly readable adventure tale.

SOUTH AFRICA: DIARY OF TROUBLED TIMES. By Nomavenda Mathiane. New York: Freedom House, 1989, 208 pp. $23.95 (paper, $12.95).

A South African journalist gives her own forthright and often courageously iconoclastic view of life in South Africa's black townships. Taken together, Mathiane's stories of herself and her neighbors (most of them previously published in the South African journal *Frontline*) movingly portray the perplexity and pain of parents caught between the evils of a system that distorts their children's lives and the fighting response of those children.

FRONTLINE SOUTHERN AFRICA: DESTRUCTIVE ENGAGEMENT. Edited by Phyllis Johnson and David Martin. New York: Four Walls Eight Windows, 1989, 565 pp. $23.95.

This vast indictment of South Africa's war against its neighbors goes over a fair amount of familiar territory, but is useful for its exhaustive assemblage of information, much of it illuminating. Best are essays laying out the structure of destabilization already in place in Namibia and on the regional economic issues created by South African subversion and by sanctions; other chapters, which screen out all negatives pertaining to South Africa's adversaries, are less satisfying.

ARMED FORCES, CONFLICT, AND CHANGE IN AFRICA. By Henry S. Bienen. Boulder (CO): Westview Press, 1989, 311 pp. $42.50.

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Questioning generalizations implicit and explicit in scholarship about African militaries and development, Bienen draws on his impressive fund of knowledge and insight about key African military regimes and sets forth an agenda for research to organize the extraordinary diversity he sees. The most interesting chapter is that on the relatively recent phenomenon of populist military regimes, where the author gets drawn far enough into a detailed examination of the data and research findings to hazard a number of provocative hypotheses.

MODERNISING HUNGER. By Philip Raikes. Portsmouth (NH): Heinemann, 1989, 280 pp. $40.00.

Looking hard at the relationship between Western aid (with the European Community as paradigm) and African food supplies, the author sees the equation as almost wholly negative. In his view aid has greatly reduced the food security of most Africans by exacerbating the concentration of wealth and land and increasing poverty generally. More forthright than most in declaring that the conclusions he had sought "continually eluded" him, he appears to place some hope in the astringency of well-aimed criticism. Nowhere, however, does he call for ending aid programs.

SOUTH AFRICA IN SOUTHERN AFRICA. Edited by Edmond J. Keller and Louis A. Picard. Boulder (CO): Lynne Rienner, 1989, 263 pp. $32.00.

While the fundamentals of the South African situation remain largely unchanged, its outward lineaments are shifting swiftly. The most telling harbinger here of a significant alteration in the atmosphere is an unusually forthright analysis by C. Tsehloane Keto of the "Lebanonization" of the black opposition to apartheid on the basis of regional mood and the competition for power as well as ideological factors.

SOUTH AFRICA BELONGS TO US: A HISTORY OF THE ANC. By Francis Meli. Bloomington: Indiana University Press, 1989, 258 pp. $35.00 (paper, $12.95).

This study represents the first book-length account of the African National Congress by one of its members. The author, who is the editor of *Sechaba,* the official organ of the ANC, largely avoids heavy propaganda and gives a fairly straight factual outline from the ANC perspective; in the same way, however, he also avoids revealing almost any new detail about the organization that would make this history interesting to scholars and other South Africa watchers.

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Edited by Janis A. Kreslins

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ERRATUM

Fall 1989

1. In Gail W. Lapidus' "Gorbachev's Nationalities Problem": on page 104, lines 27 and 28, the number of Soviet autonomous republics should be 20, that of autonomous provinces should be eight, and that of autonomous regions should be ten.

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